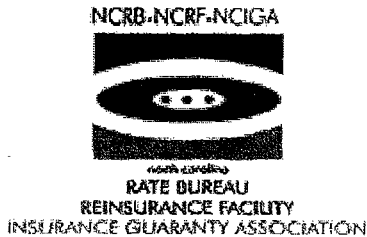


NORTH CAROLINA RATE BUREAU

**PRIVATE PASSENGER AUTOMOBILE
INSURANCE RATE FILING**

FEBRUARY 1, 2008



RECEIVED

February 1, 2008

FEB 01 2008

Honorable James E. Long
Commissioner of Insurance
North Carolina Department of Insurance
PO Box 26387
Raleigh, North Carolina 27611

N.C. Dept of Insurance
Property & Casualty

Re: Revision of Automobile Insurance Rates -
Private Passenger Cars and Motorcycles

Dear Commissioner Long:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Rate Bureau, with respect to vehicles subject to the jurisdiction of the Rate Bureau, are (1) revised premium rates for bodily injury and property damage liability, medical payments, uninsured and underinsured motorists, and physical damage insurance for nonfleet private passenger automobiles; (2) revised premium rates for liability insurance for motorcycles; and (3) revised increased limits rating factors for bodily injury and property damage liability.

The enclosed memoranda and exhibits set forth and explain the calculations which indicate the need for (1) a statewide average liability insurance rate level increase of 15.8% for nonfleet private passenger automobiles and an increase of 0.7% for motorcycles; and (2) statewide average physical damage insurance rate level increase of 8.4% for nonfleet private passenger automobiles.

The foregoing changes were calculated based on rates to become effective October 1, 2008 and reflect consideration, duly given, to data for the experience period set forth herein. Ratios in the filing relating to expense experience were developed from special calls issued by the Rate Bureau. In preparing this filing, due consideration has been given to the factors specified in G.S.58-36-10(2). Information and statistical data required pursuant to G.S. 58-36-15 and 11 NCAC 10.1104 are shown

and referenced in Section H. Additionally, the pre-filed testimony of (a) Raymond F. Evans, Jr., General Manager - North Carolina Rate Bureau; (b) Patrick B. Woods, Assistant Vice President and Manager - Insurance Services Office, Inc.; (c) Michael J. Miller - Consulting Actuary; (d) Dr. James Vander Weide, Fuqua School of Business of Duke University; and (e) Dr. David Appel - Director - Milliman, Inc. are submitted herewith.

The revised rates are to become effective October 1, 2008 in accordance with the following Rule of Application:

These changes are applicable to all policies effective on or after October 1, 2008. No policy effective prior to October 1, 2008 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 October 1, 2008.

Sincerely,


Raymond F. Evans, Jr., CPCU

General Manager

RFE:dms

Enclosures

SECTION A
SUMMARY OF REVISION

NORTH CAROLINA
VOLUNTARY PRIVATE PASSENGER AUTOMOBILE INSURANCE
REVISION OF RATES

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NORTH CAROLINA
SUMMARY OF PROPOSED RATE LEVEL CHANGES

	EARNED PREMIUMS AT PRESENT <u>MANUAL RATES</u>	FILED RATE LEVEL <u>CHANGE</u>
Liability:		
Bodily Injury (A)	\$1,251,274	14.0%
Property Damage (A)	\$958,581	14.8%
Medical Payments	\$149,913	9.3%
Uninsured Motorists	\$124,419	-5.5% (B)
Underinsured Motorists	\$79,435	103.4% (B)
 Liability Total	 \$2,563,622	 15.8%
 Physical Damage:		
Comprehensive	\$519,570	0.6%
Collision	\$1,081,083	12.1%
 Physical Damage Total	 \$1,600,653	 8.4%
 GRAND TOTAL	 \$4,164,275	 13.0%
 Motorcycle Liability	 \$24,908	 0.7% (C)

- (A) INDICATIONS ARE COMBINED FOR BASIC AND HIGHER LIMITS. FOR BODILY INJURY THE BASIC LIMITS CHANGE IS +7.4% AND THE HIGHER LIMITS CHANGE IS +6.1%. FOR PROPERTY DAMAGE, THE BASIC LIMITS CHANGE IS +15.3% AND THE HIGHER LIMITS CHANGE IS -0.4%.
- (B) THREE YEAR AVERAGE WEIGHTED ON EARNED CAR YEARS.
- (C) THREE YEAR AVERAGE WEIGHTED ON EARNED PREMIUM AT PRESENT MANUAL RATES.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
TERRITORY RATE LEVEL CHANGES BY COVERAGE

<u>Terr. Code</u>	<u>Description</u>	<u>30/60 B.I.</u>	<u>\$25,000 P.D.</u>	<u>30/60/25 Combined</u>	<u>Full Coverage Comprehensive</u>	<u>\$100 Deductible Collision</u>
11	Asheville	4.4%	17.6%	11.5%	-1.3%	15.6%
13	Durham	3.5%	13.9%	8.6%	-9.6%	9.9%
14	Greensboro	4.8%	12.8%	8.8%	-1.3%	8.6%
15	High Point	5.3%	10.8%	7.9%	-3.4%	7.7%
16	Raleigh	9.7%	16.0%	12.9%	-11.2%	11.5%
17	Wilmington	4.2%	18.8%	11.1%	7.7%	14.3%
18	Winston-Salem	11.0%	15.6%	13.3%	3.2%	13.9%
24	Remainder-West	7.9%	13.5%	10.7%	2.1%	9.7%
25	Gaston County	16.8%	18.2%	17.4%	0.8%	13.5%
26	Remainder-South	4.5%	15.0%	8.6%	-2.6%	11.9%
31	Small City-East	5.2%	16.1%	10.3%	-1.3%	14.8%
3	Small City-West	7.7%	14.6%	11.2%	-1.3%	10.9%
33	Remainder-East	5.7%	16.0%	10.1%	3.7%	12.9%
40	Fayetteville	11.4%	19.6%	15.1%	-1.3%	17.0%
41	Onslow County	4.1%	20.9%	12.1%	16.1%	12.1%
43	Craven County	3.7%	15.9%	9.1%	15.5%	16.2%
47	Wayne County	11.2%	14.7%	12.7%	4.6%	10.0%
51	Mecklenburg County -Remainder	5.2%	14.6%	10.3%	3.3%	16.8%
52	Charlotte	9.7%	17.2%	13.4%	0.6%	16.5%
	STATEWIDE	7.4%	15.3%	11.1%	0.6%	12.1%

SECTION B
MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

FILED BASE RATES - VOLUNTARY LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$142	\$187	\$17
13	209	221	25
14	198	211	24
15	217	205	26
16	192	218	23
17	224	227	27
18	181	193	22
24	163	168	20
25	223	208	27
26	257	184	31
31	202	195	24
32	167	180	20
33	203	167	24
40	263	232	32
41	204	214	24
43	196	175	24
47	209	172	25
51	161	204	19
52	226	232	27

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

FILED PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>	<u>\$100 DEDUCTIBLE COLLISION</u>
11	\$42	\$245
13	54	259
14	47	248
15	46	245
16	45	241
17	48	254
18	46	239
24	60	245
25	49	258
26	72	266
31	56	241
32	51	235
33	83	252
40	57	307
41	60	301
43	55	244
47	53	241
51	45	238
52	54	271

(A) MODEL YEAR 2009, SYMBOL 2

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSURED

Liability and Medical Payments Rates

Page B-1 shows the filed liability and medical payments base rates by territory. These pages set forth the filed manual rates for the classification carrying unity differential. The revised rates for the remaining classifications are determined by applying the appropriate classification rate differentials to the base rates by territory. This filing does not include a proposed revision to classification rate differentials, or a revision to classifications.

Physical Damage Rates

Page B-2 shows the filed base rates by territory for Model Year 2009, Symbol 2, for the base deductibles (Full Coverage Comprehensive and \$100 Deductible Collision) and the classification carrying unity differential. These are the filed manual rates from which all other rates for these coverages may be obtained. The Model Year 2009, Symbol 2 base rate for any other deductible is obtained by applying the appropriate deductible relativity factor to the Model Year 2009, Symbol 2 base rate. This filing does not include a proposed revision to the deductible relativities. The factors on pages B-4 and B-5 are applied to the Model Year 2009, Symbol 2 base rate by coverage (after application of the appropriate deductible relativity) to produce the respective model year and symbol base premiums.

The revised rates for the remaining classifications are determined by applying the appropriate classification rate differentials to the base rates by territory. This filing does not include a proposed revision to classification rate differentials, or a revision to classifications.

NORTH CAROLINA
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES
 COMPREHENSIVE

Model Year

Sy	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000-1990
1	0.76	0.72	0.68	0.65	0.61	0.58	0.54	0.50	0.46	0.42	0.39
2	1.05	1.00	0.95	0.90	0.85	0.80	0.75	0.69	0.64	0.59	0.54
3	1.19	1.13	1.07	1.02	0.96	0.90	0.85	0.78	0.72	0.67	0.61
4	1.31	1.25	1.19	1.13	1.06	1.00	0.94	0.86	0.80	0.74	0.68
5	1.48	1.41	1.34	1.27	1.20	1.13	1.06	0.97	0.90	0.83	0.76
6	1.67	1.59	1.51	1.43	1.35	1.27	1.19	1.10	1.02	0.94	0.86
7	1.83	1.74	1.65	1.57	1.48	1.39	1.31	1.20	1.11	1.03	0.94
8	1.98	1.89	1.80	1.70	1.61	1.51	1.42	1.30	1.21	1.12	1.02
10	2.14	2.04	1.94	1.84	1.73	1.63	1.53	1.41	1.31	1.20	1.10
11	2.32	2.21	2.10	1.99	1.88	1.77	1.66	1.52	1.41	1.30	1.19
12	2.53	2.41	2.29	2.17	2.05	1.93	1.81	1.66	1.54	1.42	1.30
13	2.72	2.59	2.46	2.33	2.20	2.07	1.94	1.79	1.66	1.53	1.40
14	2.94	2.80	2.66	2.52	2.38	2.24	2.10	1.93	1.79	1.65	1.51
15	3.23	3.08	2.93	2.77	2.62	2.46	2.31	2.13	1.97	1.82	1.66
16	3.56	3.39	3.22	3.05	2.88	2.71	2.54	2.34	2.17	2.00	1.83
17	3.93	3.74	3.55	3.37	3.18	2.99	2.81	2.58	2.39	2.21	2.02
18	4.29	4.09	3.89	3.68	3.48	3.27	3.07	2.82	2.62	2.41	2.21
19	4.68	4.46	4.24	4.01	3.79	3.57	3.35	3.08	2.85	2.63	2.41
20	5.19	4.94	4.69	4.45	4.20	3.95	3.71	3.41	3.16	2.91	2.67
21	5.76	5.49	5.22	4.94	4.67	4.39	4.12	3.79	3.51	3.24	2.96
22	6.50	6.19	5.88	5.57	5.26	4.95	4.64	4.27	3.96	3.65	3.34
23	7.28	6.93	6.58	6.24	5.89	5.54	5.20	4.78	4.44	4.09	3.74
24	8.43	8.03	7.63	7.23	6.83	6.42	6.02	5.54	5.14	4.74	4.34
25	10.37	9.88	9.39	8.89	8.40	7.90	7.41	6.82	6.32	5.83	5.34
26	12.74	12.13	11.52	10.92	10.31	9.70	9.10	8.37	7.76	7.16	6.55

Symbol	1989 & Prior
1	0.15
2	0.17
3	0.24
4	0.29
5	0.34
6	0.44
7	0.54
8	0.64
10	0.81
11	0.98
12	1.15
13	1.35
14	1.59
15	1.92
16	2.33
17	2.80
18	3.34
19	3.99
20	4.73
21	6.55

NORTH CAROLINA
 SYMBOL RELATIVITIES - PHYSICAL DAMAGE COVERAGES
 COLLISION

Model Year

S	1	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000-1990
1		0.92	0.88	0.84	0.79	0.75	0.70	0.63	0.58	0.53	0.48	0.43
2		1.05	1.00	0.95	0.90	0.85	0.79	0.72	0.66	0.60	0.54	0.49
3		1.22	1.16	1.10	1.04	0.99	0.92	0.84	0.77	0.70	0.63	0.57
4		1.32	1.26	1.20	1.13	1.07	1.00	0.91	0.83	0.76	0.68	0.62
5		1.41	1.34	1.27	1.21	1.14	1.06	0.96	0.88	0.80	0.72	0.66
6		1.48	1.41	1.34	1.27	1.20	1.11	1.02	0.93	0.85	0.76	0.69
7		1.54	1.47	1.40	1.32	1.25	1.16	1.06	0.97	0.88	0.79	0.72
8		1.61	1.53	1.45	1.38	1.30	1.21	1.10	1.01	0.92	0.83	0.75
10		1.71	1.63	1.55	1.47	1.39	1.29	1.17	1.08	0.98	0.88	0.80
11		1.80	1.71	1.62	1.54	1.45	1.35	1.23	1.13	1.03	0.92	0.84
12		1.85	1.76	1.67	1.58	1.50	1.39	1.27	1.16	1.06	0.95	0.86
13		1.92	1.83	1.74	1.65	1.56	1.45	1.32	1.21	1.10	0.99	0.90
14		2.05	1.95	1.85	1.76	1.66	1.54	1.40	1.29	1.17	1.05	0.96
15		2.15	2.05	1.95	1.85	1.74	1.62	1.48	1.35	1.23	1.11	1.00
16		2.24	2.13	2.02	1.92	1.81	1.68	1.53	1.41	1.28	1.15	1.04
17		2.32	2.21	2.10	1.99	1.88	1.75	1.59	1.46	1.33	1.19	1.08
18		2.45	2.33	2.21	2.10	1.98	1.84	1.68	1.54	1.40	1.26	1.14
19		2.55	2.43	2.31	2.19	2.07	1.92	1.75	1.60	1.46	1.31	1.19
20		2.64	2.51	2.38	2.26	2.13	1.98	1.81	1.66	1.51	1.36	1.23
21		2.74	2.61	2.48	2.35	2.22	2.06	1.88	1.72	1.57	1.41	1.28
22		2.89	2.75	2.61	2.48	2.34	2.17	1.98	1.82	1.65	1.49	1.35
23		3.00	2.86	2.72	2.57	2.43	2.26	2.06	1.89	1.72	1.54	1.40
24		3.14	2.99	2.84	2.69	2.54	2.36	2.15	1.97	1.79	1.61	1.47
25		3.39	3.23	3.07	2.91	2.75	2.55	2.33	2.13	1.94	1.74	1.58
26		3.68	3.50	3.33	3.15	2.98	2.77	2.52	2.31	2.10	1.89	1.72

Symbol 1989 & Prior

-	0.21
<u> </u>	0.25
3	0.31
4	0.35
5	0.41
6	0.45
7	0.49
8	0.59
10	0.68
11	0.74
12	0.82
13	0.88
14	0.98
15	1.06
16	1.17
17	1.24
18	1.35
19	1.43
20	1.51
21	1.72

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate - Single Car Policy	\$[17]	<u>15</u>
Multi-Car Policy	\$[40]	<u>36</u>

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

1. b. Increased Limits

Increased limits of Uninsured Motorists coverage may be afforded. Property Damage limits may not exceed the Property Damage limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

	B.I. Limits		P.D. Limits		
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy	
\$ 30/60	\$ [15] <u>13</u>	\$ [35] <u>31</u>	\$ 25	\$ 2	\$ 5
50/100	[16] <u>14</u>	[38] <u>33</u>	50	3	7
100/200	[18] <u>17</u>	[42] <u>40</u>	100	4	9
100/300	19	45	250	6	14
300/300	[22] <u>23</u>	[52] <u>54</u>	500	8	19
250/500	[24] <u>25</u>	[57] <u>59</u>	750	10	24
500/500	[25] <u>27</u>	[59] <u>64</u>	1,000	11	26
500/1,000	[27] <u>30</u>	[64] <u>71</u>			
1,000/1,000	[28] <u>31</u>	[66] <u>73</u>			

14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

1. b. Rates

Combined Uninsured/Underinsured Motorists coverage is available at the following limits with rates per policy shown:

	B.I. Limits		P.D. Limits		
	Single Car Policy	Multi-Car Policy	Single Car Policy	Multi-Car Policy	
\$ 50/100	\$ [21] <u>24</u>	\$ [50] <u>57</u>	\$ 25	\$ 2	\$ 5
100/200	[36] <u>54</u>	[84] <u>127</u>	50	3	7
100/300	[44] <u>70</u>	[104] <u>165</u>	100	4	9
300/300	[60] <u>100</u>	[142] <u>236</u>	250	6	14
250/500	[71] <u>121</u>	[168] <u>286</u>	500	8	19
500/500	[97] <u>173</u>	[229] <u>409</u>	750	10	24
500/1,000	[109] <u>197</u>	[258] <u>465</u>	1,000	11	26
1,000/1,000	[123] <u>224</u>	[290] <u>528</u>			

18. INCREASED LIMITS

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	[1.15] <u>1.20</u>
100/100	[1.27] <u>1.37</u>
100/200	[1.33] <u>1.45</u>
100/300	[1.35] <u>1.48</u>
300/300	[1.54] <u>1.74</u>
250/500	[1.57] <u>1.78</u>
500/1,000	[1.73] <u>2.00</u>
1,000/1,000	[1.83] <u>2.13</u>
1,000/2,000	[1.88] <u>2.20</u>

C. \$25,000 Property Damage Liability Increased Limits Table

Applicable to \$25,000 Property Damage Liability Rates Only:

Total Limits	Factor
\$ 25,000	[1.000] <u>1.000</u>
35,000	[1.005] <u>1.003</u>
50,000	[1.010] <u>1.006</u>
100,000	[1.030] <u>1.018</u>
250,000	[1.059] <u>1.035</u>
500,000	[1.113] <u>1.068</u>
750,000	[1.153] <u>1.092</u>
1,000,000	[1.202] <u>1.121</u>

(Remainder of rule is unchanged.)

19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes Liability Coverages Only.

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage, and medical payments rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

LIABILITY COVERAGES ONLY

1. Such vehicles with engine size of 499 cubic centimeters or less shall be rated at [~~17%~~] 15% of the applicable private passenger rate.
2. Such vehicles with engine size of 500 to 1249 cubic centimeters shall be rated at [~~27%~~] 24% of the applicable private passenger rate.
3. Such vehicles with engine size of 1250 to 1499 cubic centimeters shall be rated at [~~37%~~] 33% of the applicable private passenger rate.
4. Such vehicles with engine size of 1500 or more cubic centimeters shall be rated at [~~49%~~] 43% of the applicable private passenger rate.

MEDICAL PAYMENTS COVERAGES ONLY

1. Such vehicles shall be rated at [~~38%~~] 35% of the private passenger Medical Payments rate.

SECTION C
SUPPORTING EXPERIENCE

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2006

All Liability Business

All Carriers

	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	554,842,157	583,393,339	90,537,990
(2) Loss Development Factor (b)	1.121	1.029	1.078
(3) Developed Losses and ALAE (1)x(2)	621,978,058	600,311,746	97,599,953
(4) Unallocated Loss Adjustment Expense Factor (See page H-539)	0.127	0.111	0.127
(5) Unallocated Loss Adjustment Expense (3)x(4)	78,991,213	66,634,604	12,395,194
(6) General and Other Acquisition Expenses (c)	150,909,837	145,771,853	19,048,893
(7) Earned Exposures (a)	6,562,794	6,562,794	4,953,935
(8) Incurred Claims (a)	96,548	243,717	57,582
(9) Claim Development Factor (d)	0.943	1.013	1.026
(10) Developed Claims (9)x(10)	91,045	246,885	59,079
(11) Average Annual Change in Losses and ALAE (See page D-9)	0.8%	2.0%	-0.6%
(12) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%	3.8%
(13) Years of Trend - Losses and ALAE (e)	3.03	3.03	3.03
(14) Years of Trend - ULAE (f)	3.03	3.03	3.03
(15) Years of Trend - G & OA Expenses (g)	2.75	2.75	2.75
(16) Projected Losses and ALAE (e)	636,905,531	637,531,074	95,843,154
(17) Projected ULAE (f)	88,470,159	74,630,756	13,882,617
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	110.53	108.52	22.15
(19) Projected G & OA Expenses (g)	167,208,099	161,515,213	21,106,173
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	25.48	24.61	4.26
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	136.01	133.13	26.41
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-20)	0.799	0.799	0.799
(24) Adjustment Factor for Increase in MVR Fee (i)	1.00000	1.00000	1.00000
(25) Premium Required per exposure $[(21)/((23)-(22))]*(24)]$	170.23	166.62	33.05
(26) Distributional Adjustment Factor (j)	0.886	0.888	1.431
(27) Required 30/60/25 Base Class Premium $[(25)/(26)]$	192.13	187.64	23.10

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2006

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. For Bodily Injury, the three year average excluding the 2003 15-27 month link ratio was used. See pages D-14, D-15, and D-16.
- (c) The general expenses and other acquisition expenses have been calculated to be 7.9% and 9.0%, respectively, of the combined Voluntary and Ceded collected earned premium, and 7.3% and 8.3%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-539.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-17, D-18, and D-19.
- (e) Projected losses and allocated loss adjustment expenses =
$$(13)$$
$$[(3) \times (1 + (11)) \quad], \text{ where } (13) = \text{the number of years of projection from the average date of accident to 7/12/2009.}$$
- (f) Projected unallocated loss adjustment expenses =
$$(14)$$
$$[(5) \times (1 + (12)) \quad], \text{ where } (14) = \text{the number of years of projection from 7/1/2006 to 7/12/2009.}$$
- (g) Projected general and other acquisition expenses =
$$(15)$$
$$[(6) \times (1 + (12)) \quad], \text{ where } (15) = \text{the number of years of projection from 7/1/2006 to 4/1/2009.}$$
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.
- (j) Distributional adjustment factor = Average Rate / Base Rate. See pages C-19 - C-21.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005

All Liability Business

All Carriers

	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	577,570,259	568,284,887	88,600,011
(2) Loss Development Factor (b)	1.050	1.009	1.021
(3) Developed Losses and ALAE (1)x(2)	606,448,772	573,399,451	90,460,611
(4) Unallocated Loss Adjustment Expense Factor (See page H-539)	0.128	0.122	0.128
(5) Unallocated Loss Adjustment Expense (3)x(4)	77,625,443	69,954,733	11,578,958
(6) General and Other Acquisition Expenses (c)	132,194,251	127,544,057	17,105,471
(7) Earned Exposures (a)	6,422,373	6,422,373	4,831,441
(8) Incurred Claims (a)	93,422	244,205	58,758
(9) Claim Development Factor (d)	0.980	1.004	1.010
(10) Developed Claims (9)x(10)	91,554	245,182	59,346
(11) Average Annual Change in Losses and ALAE (See page D-9)	1.0%	2.1%	-0.9%
(12) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%	3.8%
(13) Years of Trend - Losses and ALAE (e)	4.03	4.03	4.03
(14) Years of Trend - ULAE (f)	4.03	4.03	4.03
(15) Years of Trend - G & OA Expenses (g)	3.75	3.75	3.75
(16) Projected Losses and ALAE (e)	631,313,172	623,285,203	87,204,029
(17) Projected ULAE (f)	90,200,765	81,287,400	13,454,749
(18) Projected Losses and LAE per exposure [{"(16)+(17)"}]/(7)]	112.34	109.71	20.83
(19) Projected G & OA Expenses (g)	152,023,389	146,675,666	19,671,292
(20) Projected Fixed Expenses per exposure [(19)/(7)]	23.67	22.84	4.07
(21) Projected Loss, LAE and Expenses Per Exposure [{"(18)+(20)"}]	136.01	132.55	24.90
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-20)	0.793	0.793	0.793
(24) Adjustment Factor for Increase in MVR Fee (i)	1.00435	1.0044	1.0044
(25) Premium Required per exposure [{"(21)/((23)-(22))"}]*(24)]	172.26	167.88	31.54

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. For Bodily Injury, the three year average excluding the 2003 15-27 month link ratio was used. See pages D-14, D-15, and D-16.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.8% and 9.5%, respectively, of the combined Voluntary and Ceded collected earned premium, and 5.1% and 8.3%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-539.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-17, D-18, and D-19.
- (e) Projected losses and allocated loss adjustment expenses =
$$\frac{(13)}{[(3) \times (1 + (11))]}$$
, where (13) = the number of years of projection from the average date of accident to 7/12/2009.
- (f) Projected unallocated loss adjustment expenses =
$$\frac{(14)}{[(5) \times (1 + (12))]}$$
, where (14) = the number of years of projection from 7/1/2005 to 7/12/2009.
- (g) Projected general and other acquisition expenses =
$$\frac{(15)}{[(6) \times (1 + (12))]}$$
, where (15) = the number of years of projection from 7/1/2005 to 4/1/2009.
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

All Liability Business

All Carriers

	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	595,341,155	559,572,994	90,547,709
(2) Loss Development Factor (b)	1.016	1.001	1.007
(3) Developed Losses and ALAE (1)x(2)	604,866,613	560,132,567	91,181,543
(4) Unallocated Loss Adjustment Expense Factor (See page H-539)	0.113	0.126	0.113
(5) Unallocated Loss Adjustment Expense (3)x(4)	68,349,927	70,576,703	10,303,514
(6) General and Other Acquisition Expenses (c)	130,586,642	127,046,578	16,909,685
(7) Earned Exposures (a)	6,230,615	6,230,615	4,685,435
(8) Incurred Claims (a)	95,297	244,709	61,152
(9) Claim Development Factor (d)	0.988	0.999	1.002
(10) Developed Claims (9)x(10)	94,153	244,464	61,274
(11) Average Annual Change in Losses and ALAE (See page D-9)	0.6%	1.4%	-1.7%
(12) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%	3.8%
(13) Years of Trend - Losses and ALAE (e)	5.03	5.03	5.03
(14) Years of Trend - ULAE (f)	5.03	5.03	5.03
(15) Years of Trend - G & OA Expenses (g)	4.75	4.75	4.75
(16) Projected Losses and ALAE (e)	623,617,478	600,462,112	83,613,475
(17) Projected ULAE (f)	82,430,012	85,115,504	12,426,038
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	113.32	110.03	20.50
(19) Projected G & OA Expenses (g)	155,920,451	151,693,614	20,190,164
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	25.02	24.35	4.31
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	138.34	134.38	24.81
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-20)	0.798	0.798	0.798
(24) Adjustment Factor for Increase in MVR Fee (i)	1.0058	1.0058	1.0058
(25) Premium Required per exposure $[(21)/((23)-(22))]*(24)]$	174.36	169.37	31.27

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

- (a) Based on the statistical plan data reported by member companies. Data includes both voluntary and ceded business.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. For Bodily Injury, the three year average excluding the 2003 15-27 month link ratio was used. See pages D-14, D-15, and D-16.
- (c) The general expenses and other acquisition expenses have been calculated to be 6.4% and 8.9%, respectively, of the combined Voluntary and Ceded collected earned premium, and 5.9% and 8.3%, respectively, of the Voluntary and Ceded manual earned premium. These expenses are then allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RB-4 and page H-539.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage, and Medical Payments. See pages D-17, D-18, and D-19.
- (e) Projected losses and allocated loss adjustment expenses =
$$\frac{(13)}{[(3) \times (1 + (11))]}$$
, where (13) = the number of years of projection from the average date of accident to 7/12/2009.
- (f) Projected unallocated loss adjustment expenses =
$$\frac{(14)}{[(5) \times (1 + (12))]}$$
, where (14) = the number of years of projection from 7/1/2004 to 7/12/2009.
- (g) Projected general and other acquisition expenses =
$$\frac{(15)}{[(6) \times (1 + (12))]}$$
, where (15) = the number of years of projection from 7/1/2004 to 4/1/2009.
- (h) Selected value.
- (i) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2006

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	275,408,543	607,249,609
(2) Paid to Incurred Factor (See RB-7)	1.002	1.002
(3) Excess Wind and Water Factor (See page D-13)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	293,068,840	608,464,108
(5) Loss Adjustment Expense Factor (See page D-23)	0.126	0.126
(6) Loss Adjustment Expense (4)x(5)	36,926,674	76,666,478
(7) Earned Exposures (c)	4,616,310	4,279,009
(8) Paid Claims (c) (d)	284,322	205,843
(9) General and Other Acquisition Expenses (e)	77,121,061	164,133,118
(10) Average Annual Change in Losses (See page D-9)	-2.0%	3.0%
(11) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%
(12) Years of Trend - Losses (f)	3.03	3.03
(13) Years of Trend - LAE (g)	3.03	3.03
(14) Years of Trend - G & OA Expenses (h)	2.75	2.75
(15) Projected Losses (f)	275,777,778	665,659,734
(16) Projected LAE (g)	41,357,875	85,866,455
(17) Projected Losses and LAE per exposure [((15)+(16))/(7)]	68.70	175.63
(18) Projected G & OA Expenses (h)	85,450,136	181,859,495
(19) Projected Fixed Expenses per exposure [(18)/(7)]	18.51	42.50
(20) Projected Loss, LAE and Fixed Expenses per exposure [(17)+(19)]	87.21	218.13
(21) Percentage Dividends (i)	0.0%	0.0%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-20)	0.769	0.769
(23) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.00000
(24) Premium Required per exposure [((20)/((22)-(21)))x(23)]	113.41	283.65
(25) Model Year Trend Factor (See page H-534)	1.114	1.133
(26) Symbol Trend Factor (k) (See pages H-535,536)	1.031	1.000
(27) Distributional Adjustment Factor (l) (See pages C-22,23)	1.876	1.128
(28) Required Base Class Premium - Model Year 2007 [(23)/((24)x(25)x(26))]	52.64	221.94
(29) Factor for Change in Model Year Base	1.100	1.100
(30) Required Base Class Premium - Model Year 2009 [(28)x(29)]	57.90	244.13

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2006

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

	<u>Comprehensive</u>		<u>Collision</u>	
Full Coverage	116,269		\$50 Deductible	1,199
\$50 Deductible	16,661		\$100 Deductible	16,488
\$100 Deductible	94,449		\$200 Deductible	2,713
\$250 Deductible	30,851		\$250 Deductible	91,500
\$500 Deductible	24,528		\$500 Deductible	89,333
\$1000 Deductible	1,564		\$1000 Deductible	4,610

- (e) General expenses and other acquisition expenses have been calculated to be 6.2% and 8.6%, respectively, of the Standard premium on a collected level, and 7.9% and 6.1%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-540-H-541.

(f) Projected losses = $[(4) \times (1+(10))^{(12)}]$ where (12) = number of years of projection from 7/1/2006 to 7/12/2009.

(g) Projected loss adjustment expenses = $[(6) \times (1+(11))^{(13)}]$ where (13) = number of years of projection from 7/1/2006 to 7/12/2009.

(h) Projected general and other acquisition expenses = $[(9) \times (1+(11))^{(14)}]$ where (14) = number of years of projection from 7/1/2006 to 4/1/2009.

(i) Selected value.

(j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

(k) Symbol trend factor is 1.0% per annum for Comprehensive, and 0.0% per annum for Collision projected from 7/1/2006 to the prospective average date of earning, 7/12/2009.

$$\begin{aligned} & \text{Comprehensive: } [(1+1.0\%)^{3.03}] = 1.031 \\ & \text{Collision: } [(1+0.0\%)^{3.03}] = 1.000 \end{aligned}$$

(l) Distributional adjustment factor = Average Rate / Base Deductible Base Class Rate. See pages C-22, C-23.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2005

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	236,375,680	578,484,457
(2) Paid to Incurred Factor (See RB-7)	0.996	0.996
(3) Excess Wind and Water Factor (See page D-13)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	250,026,848	576,170,519
(5) Loss Adjustment Expense Factor (See page D-24)	0.159	0.159
(6) Loss Adjustment Expense (4)x(5)	39,754,269	91,611,113
(7) Earned Exposures (c)	4,475,373	4,160,350
(8) Paid Claims (c)(d)	275,985	205,277
(9) General and Other Acquisition Expenses (e)	63,021,370	137,375,929
(10) Average Annual Change in Losses (See page D-9)	-2.8%	3.0%
(11) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%
(12) Years of Trend - Losses (f)	4.03	4.03
(13) Years of Trend - LAE (g)	4.03	4.03
(14) Years of Trend - G & OA Expenses (h)	3.75	3.75
(15) Projected Losses (f)	223,023,948	649,344,175
(16) Projected LAE (g)	46,194,461	106,452,113
(17) Projected Losses and LAE per exposure [((15)+(16))/(7)]	60.16	181.67
(18) Projected G & OA Expenses (h)	72,474,576	157,982,318
(19) Projected Fixed Expenses per exposure [(18)/(7)]	16.19	37.97
(20) Projected Loss, LAE and Fixed Expenses per exposure [(17)+(19)]	76.35	219.64
(21) Percentage Dividends (i)	0.0%	0.0%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-21)	0.770	0.77
(23) Adjustment Factor for Increase in MVR Fee (j)	1.00435	1.0044
(24) Premium Required per exposure [((20)/((22)-(21)))x(23)]	99.59	286.49

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2005

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

	<u>Comprehensive</u>		<u>Collision</u>
Full Coverage	115,800		
\$50 Deductible	17,166	\$50 Deductible	1,341
\$100 Deductible	92,059	\$100 Deductible	17,188
\$250 Deductible	28,795	\$200 Deductible	2,712
\$500 Deductible	20,915	\$250 Deductible	94,916
\$1000 Deductible	1,250	\$500 Deductible	84,897
		\$1000 Deductible	4,223

- (e) General expenses and other acquisition expenses have been calculated to be 5.0% and 8.2%, respectively, of the Standard premium on a collected level, and 5.1% and 5.5%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-540-H-541.

(12)

(f) ~~Projected losses~~ = $[(4) \times (1+(10))^{(12)}]$ where (12) = number of years of projection from 7/1/2005 to 7/12/2009.

(13)

(g) Projected loss adjustment expenses = $[(6) \times (1+(11))^{(13)}]$ where (13) = number of years of projection from 7/1/2005 to 7/12/2009

(14)

(h) Projected general and other acquisition expenses = $[(9) \times (1+(11))^{(14)}]$ where (14) = number of years of projection from 7/1/2005 to 4/1/2009.

(i) Selected value.

(j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2004

All Physical Damage Business

	<u>Comprehensive (a)</u>	<u>Collision (b)</u>
(1) Reported Paid Losses Excl. Excess W&W (c) (See RB-8)	243,046,072	571,461,740
(2) Paid to Incurred Factor (See RB-7)	0.997	0.997
(3) Excess Wind and Water Factor (See page D-13)	1.062	-
(4) Incurred Losses (1)x(2)x(3)	257,340,584	569,747,355
(5) Loss Adjustment Expense Factor (See page D-25)	0.152	0.152
(6) Loss Adjustment Expense (4)x(5)	39,115,769	86,601,598
(7) Earned Exposures (c)	4,356,399	4,060,167
(8) Paid Claims (c) (d)	296,755	205,825
(9) General and Other Acquisition Expenses (e)	60,652,205	132,468,721
(10) Average Annual Change in Losses (See page D-9)	-4.7%	1.5%
(11) Average Annual Change in Expenses (See page D-8)	3.8%	3.8%
(12) Years of Trend - Losses (f)	5.03	5.03
(13) Years of Trend - LAE (g)	5.03	5.03
(14) Years of Trend - G & OA Expenses (h)	4.75	4.75
(15) Projected Losses (f)	202,012,358	614,187,649
(16) Projected LAE (g)	47,173,617	104,441,527
(17) Projected Losses and LAE per exposure $[(15)+(16)]/(7)$	57.20	176.99
(18) Projected G & OA Expenses (h)	72,418,733	158,167,653
(19) Projected Fixed Expenses per exposure $[(18)/(7)]$	16.62	38.96
(20) Projected Loss, LAE and Fixed Expenses per exposure $[(17)+(19)]$	73.82	215.95
(21) Percentage Dividends (i)	0.0%	0.0%
(22) Permissible Loss, LAE and G & OA Expense Ratio (See page D-22)	0.774	0.774
(23) Adjustment Factor for Increase in MVR Fee (j)	1.0058	1.0058
(24) Premium Required per exposure $[(20)/((22)-(21))x(23)]$	95.93	280.62

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

STATEWIDE RATE REVIEW
CALENDAR YEAR ENDED 12/31/2004

- (a) Comprehensive Coverage includes Full Coverage Comprehensive, \$50 Deductible, \$100 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Comprehensive.
- (b) Collision Coverage includes \$50 Deductible, \$100 Deductible, \$200 Deductible, \$250 Deductible, \$500 Deductible, and \$1000 Deductible Collision.
- (c) Based on the statistical plan data reported by member companies. Data includes both standard and consent to rate business.

(d) Claims by Deductible:

<u>Comprehensive</u>		<u>Collision</u>	
Full Coverage	127,309	\$50 Deductible	1,262
\$50 Deductible	19,276	\$100 Deductible	18,398
\$100 Deductible	99,594	\$200 Deductible	2,896
\$250 Deductible	30,402	\$250 Deductible	98,624
\$500 Deductible	19,154	\$500 Deductible	81,064
\$1000 Deductible	1,020	\$1000 Deductible	3,581

- (e) General expenses and other acquisition expenses have been calculated to be 5.1% and 8.6%, respectively, of the Standard premium on a collected level, and 5.2% and 4.9%, respectively, of the Consent to Rate premium on a collected level. See exhibit RB-4 and pages H-540-H-541.

(12)

- (f) ~~Projected losses~~ = $[(4) \times (1+(10))^{(12)}]$ where (12) = number of years of projection from 7/1/2004 to 7/12/2009.

(13)

- (g) Projected loss adjustment expenses = $[(6) \times (1+(11))^{(13)}]$ where (13) = number of years of projection from 7/1/2004 to 7/12/2009.

(14)

- (h) Projected general and other acquisition expenses = $[(9) \times (1+(11))^{(14)}]$ where (14) = number of years of projection from 7/1/2004 to 4/1/2009.

- (i) Selected value.

- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
BODILY INJURY LIABILITY
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) 30/60 LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 30/60 BASE CLASS RATE PRES.	(9) IND.
11	111,047	69.42	0.934	74.33	1.0	74.33	0.691	136	142
13	137,456	109.99	0.926	118.78	1.0	118.78	1.103	202	209
14	152,149	104.14	0.931	111.86	1.0	111.86	1.039	189	198
15	49,822	112.03	0.903	124.06	0.9	124.04	1.152	206	217
16	396,872	100.34	0.930	107.89	1.0	107.89	1.002	175	192
17	145,324	118.30	0.918	128.87	1.0	128.87	1.197	215	224
18	159,271	90.72	0.906	100.13	1.0	100.13	0.930	163	181
24	2,066,500	76.09	0.860	88.48	1.0	88.48	0.822	151	163
25	136,978	114.75	0.899	127.64	1.0	127.64	1.186	191	223
26	464,301	127.20	0.847	150.18	1.0	150.18	1.395	246	257
31	310,939	103.09	0.901	114.42	1.0	114.42	1.063	192	202
32	666,538	80.41	0.884	90.96	1.0	90.96	0.845	155	167
33	773,114	99.15	0.866	114.49	1.0	114.49	1.064	192	203
40	188,976	139.52	0.904	154.34	1.0	154.34	1.434	236	263
41	106,748	107.85	0.936	115.22	1.0	115.22	1.070	196	204
43	75,126	100.32	0.909	110.36	1.0	110.36	1.025	189	196
47	85,447	105.56	0.887	119.01	1.0	119.01	1.106	188	209
51	69,740	80.98	0.937	86.42	0.9	86.98	0.808	153	161
52	454,379	121.11	0.932	129.95	1.0	129.95	1.207	206	226
SW	6,550,727	95.43	0.886	107.63		107.64			

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PROPERTY DAMAGE LIABILITY
CALCULATION OF REVISED BASE RATES BY TERRITORY

	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) \$25,000 LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) \$25,000 BASE CLASS RATE PRES.	(9) IND.
11	111,047	94.31	0.934	100.97	1.0	100.97	0.995	159	187
13	137,456	113.71	0.926	122.80	1.0	122.80	1.210	194	221
14	152,149	108.22	0.931	116.24	1.0	116.24	1.145	187	211
15	49,822	101.83	0.903	112.77	1.0	112.77	1.111	185	205
16	396,872	112.11	0.930	120.55	1.0	120.55	1.187	188	218
17	145,324	115.95	0.918	126.31	1.0	126.31	1.244	191	227
18	159,271	95.02	0.906	104.88	1.0	104.88	1.033	167	193
24	2,066,500	76.59	0.860	89.06	1.0	89.06	0.877	148	168
25	136,978	103.02	0.899	114.59	1.0	114.59	1.129	176	208
26	464,301	84.19	0.847	99.40	1.0	99.40	0.979	160	184
31	310,939	95.61	0.901	106.12	1.0	106.12	1.045	168	195
32	666,538	85.72	0.884	96.97	1.0	96.97	0.955	157	180
33	773,114	76.83	0.866	88.72	1.0	88.72	0.874	144	167
40	188,976	117.06	0.904	129.49	1.0	129.49	1.276	194	232
41	106,748	110.81	0.936	118.39	1.0	118.39	1.166	177	214
43	75,126	85.20	0.909	93.73	1.0	93.73	0.923	151	175
47	85,447	81.00	0.887	91.32	1.0	91.32	0.900	150	172
51	69,740	104.99	0.937	112.05	1.0	112.05	1.104	178	204
52	454,379	120.72	0.932	129.53	1.0	129.53	1.276	198	232
SW	6,550,727	90.27	0.888	101.52		101.52			

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
FULL COVERAGE COMPREHENSIVE
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 2009 SYMBOL 2 BASE CLASS RATE PRES.	(9) IND.
11	78,934	38.31	1.959	19.56	1.0	19.56	0.655	42	42
13	96,388	51.49	1.907	27.00	1.0	27.00	0.905	59	54
14	110,386	44.28	1.967	22.51	1.0	22.51	0.754	47	47
15	36,209	43.37	1.972	21.99	1.0	21.99	0.737	47	46
16	309,538	43.84	2.037	21.52	1.0	21.52	0.721	50	45
17	111,296	45.77	1.937	23.63	1.0	23.63	0.792	44	48
18	114,614	44.22	1.984	22.29	1.0	22.29	0.747	44	46
24	1,399,243	56.67	1.840	30.80	1.0	30.80	1.032	58	60
25	95,598	45.48	1.887	24.10	1.0	24.10	0.807	48	49
26	298,626	68.08	1.785	38.14	1.0	38.14	1.278	73	72
31	235,584	54.42	1.948	27.94	1.0	27.94	0.936	56	56
32	483,045	48.52	1.909	25.42	1.0	25.42	0.852	51	51
33	502,182	79.54	1.772	44.89	1.0	44.89	1.504	79	83
40	134,883	53.15	1.852	28.70	1.0	28.70	0.961	57	57
41	77,367	54.09	1.778	30.42	1.0	30.42	1.019	51	60
43	54,825	50.35	1.828	27.54	1.0	27.54	0.923	47	55
47	57,448	47.98	1.825	26.29	1.0	26.29	0.881	50	53
51	58,609	46.59	2.172	21.45	1.0	21.45	0.719	43	45
52	352,770	55.17	2.036	27.10	1.0	27.10	0.908	53	54
SW	4,607,545	55.87	1.876	29.85		29.85			

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
\$100 DEDUCTIBLE COLLISION
CALCULATION OF REVISED BASE RATES BY TERRITORY

	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 2009 SYMBOL 2 BASE CLASS RATE PRES.	(9) IND.
11	73,803	139.60	1.158	120.55	1.0	120.55	0.970	206	245
13	91,929	151.66	1.179	128.63	1.0	128.63	1.035	229	259
14	103,835	143.62	1.170	122.75	1.0	122.75	0.987	222	248
15	33,999	138.00	1.146	120.42	1.0	120.42	0.969	221	245
16	297,009	143.90	1.218	118.14	1.0	118.14	0.950	210	241
17	107,109	148.71	1.182	125.81	1.0	125.81	1.012	216	254
18	106,217	134.13	1.146	117.04	1.0	117.04	0.941	204	239
24	1,246,541	128.66	1.064	120.92	1.0	120.92	0.973	217	245
25	88,290	144.01	1.122	128.35	1.0	128.35	1.032	221	258
26	280,435	144.06	1.083	133.02	1.0	133.02	1.070	231	266
31	225,033	139.03	1.176	118.22	1.0	118.22	0.951	204	241
32	439,491	127.45	1.111	114.72	1.0	114.72	0.923	206	235
33	468,707	133.97	1.072	124.97	1.0	124.97	1.005	217	252
40	129,810	190.01	1.212	156.77	1.0	156.77	1.261	255	307
41	74,361	190.00	1.239	153.35	1.0	153.35	1.234	261	301
43	52,739	141.16	1.173	120.34	1.0	120.34	0.968	204	244
47	54,190	133.25	1.126	118.34	1.0	118.34	0.952	213	241
51	56,641	149.90	1.284	116.74	1.0	116.74	0.939	198	238
52	340,427	167.83	1.235	135.89	1.0	135.89	1.093	226	271
SW	4,270,566	140.36	1.128	124.32		124.32			

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
NOTES TO CALCULATION OF REVISED BASE RATES BY TERRITORY

Liability data shown in column (1) and column (2) is voluntary and ceded combined. Comprehensive data are for Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 deductibles. Collision data are for \$50, \$100, \$200, \$250, \$500 and \$1,000 deductibles. Physical Damage data is for standard and current to rate business combined.

Column

- (1) Earned exposures for the year ended 12/31/2006.
- (2) Pure premium (losses divided by exposures) for the three years ended 12/31/2006. Liability data are developed to ultimate. Comprehensive data are adjusted for territories 14 and 43 to remove excess wind losses.
- (3) Distributional adjustment factor = Present average rate for year ended 12/31/2006 divided by the current base class base rate. For liability, the average rate is for voluntary and ceded data combined. For physical damage, the average rate is for all deductibles combined, for standard and non-standard business. See pages C-19-23.
- (4) Base Class Loss Cost = Col.(2) / Col.(3)
- (5) Credibility is determined by each territory's three year number of claims using the credibility tables shown on page D-27.
- (6) Formula base class loss cost = [Col.(4) x Col.(5)] + [Statewide Col.(4)x{1-Col.(5)} x HAF] where HAF is the historical adjustment factor and is equal to the ratio of the current base class base rate to the statewide average base class base rate. See pages C-19-23.
- (7) Index to state = Col.(6) / Statewide Col.(6)
- (8) Present base rates currently in effect as of the date of this filing.
- (9) The revised base rate is calculated by the following formula:

$$[(RBCP \times VR \times \text{Col.}(7)] + FE \text{ } \times \text{offset}$$

RBCP = Required base class premium, as shown on pages C-1, C-7.

VR = variable ratio FE = flattened expense amount

The variable ratio and flattened expense amount account for the flattening of 100% of general and other acquisition expenses by territory and are calculated below:

	BI	PD	Comp	Coll
(1) Projected general and other acquisition expenses per exposure (from page C-1, line (20) and page C-7, line (19))	25.48	24.61	18.51	42.50
(2) Required average premium per exposure (from page C-1, line (25) and page C-7, line (24))	170.23	166.62	113.41	283.65
(3) Fixed ratio = (1) / (2)	0.150	0.148	0.163	0.150
(4) Variable ratio 1 - (3)	0.850	0.852	0.837	0.850
(5) Required Base Class Premium (from page C-1, line (27) and page C-7, line (30))	192.13	187.64	57.90	244.13
(6) Flattened expenses (2) x (3)	28.82	27.77	9.44	36.62

Offsets are as follows:

- 1) Offsets for the change in model year base from 2007 to 2009 are 1.013 for Comprehensive and 1.029 for Collision.

This offset is required so that this change will have no rate level effect.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
MEDICAL PAYMENTS
CALCULATION OF REVISED BASE RATES BY TERRITORY

(1) Ave MP ILF 2.172
 (2) % of BI: 11.99%
 (3) Revised Base Class Rate: \$23.10
 (4) Target Base class rate: \$23.10

(5) Terr	(6) MP Exp	(7) Pres. MP Rate	(8) Rev BI Rate	(9) BI CP Offset	(10) Rev MP Rate	(11) Rev. Base Class Premium	(12) Rev. T/L MP Rate	(13) Pres. T/L MP Rate	(14) Terr % Change
11	73,195	16	142	1.000	17	1,244,315	36.92	34.75	6.2%
13	94,775	24	209	1.000	25	2,369,375	54.30	52.13	4.2%
14	105,980	22	198	1.000	24	2,543,520	52.13	47.78	9.1%
15	35,698	24	217	1.000	26	928,148	56.47	52.13	8.3%
16	303,241	21	192	1.000	23	6,974,543	49.96	45.61	9.5%
17	100,758	25	224	1.000	27	2,720,466	58.64	54.30	8.0%
18	109,622	19	181	1.000	22	2,411,684	47.78	41.27	15.8%
24	1,581,439	18	163	1.000	20	31,628,780	43.44	39.10	11.1%
25	94,752	22	223	1.000	27	2,558,304	58.64	47.78	22.7%
26	364,724	29	257	1.000	31	11,306,444	67.33	62.99	6.9%
31	243,321	23	202	1.000	24	5,839,704	52.13	49.96	4.3%
32	502,510	18	167	1.000	20	10,050,200	43.44	39.10	11.1%
33	666,906	23	203	1.000	24	16,005,744	52.13	49.96	4.3%
40	111,528	28	263	1.000	32	3,568,896	69.50	60.82	14.3%
41	66,893	23	204	1.000	24	1,605,432	52.13	49.96	4.3%
43	60,019	22	196	1.000	24	1,440,456	52.13	47.78	9.1%
47	68,724	22	209	1.000	25	1,718,100	54.30	47.78	13.6%
51	53,464	18	161	1.000	19	1,015,816	41.27	39.10	5.5%
52	307,656	24	226	1.000	27	8,306,712	58.64	52.13	12.5%
	4,945,205					114,236,639			9.3%

- (1) Average Medical Payments Increased Limits Factor. See page G-9.
 (2) % Medical Payments rates of Bodily Injury rates. Used to iteratively determine statewide base class rate.
 (3) Revised base class Medical Payments rate. Sum of column (11) / Sum of column (6).
 (4) Target base class rate. Derived on page C-1.
 (5) Territory.
 (6) Medical Payments exposures by territory.
 (7) Present \$500 Medical Payments rate.
 (8) Revised 30/60 Bodily Injury rate as determined on page C-13.
 (9) BI Class Plan Offset.
 (10) Revised \$500 Medical Payments rate. (8) x (2).
 (11) Revised base class Medical Payments Premium. (6) x (10) / (9).
 (12) Revised total limits Medical Payments rate. (10) x (1).
 (13) Present total limits Medical Payments rate. (7) x (1).
 (14) Territory percent change (12) / (13) / (9).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
BODILY INJURY LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2006	30/60 PRES. AVG. PREM	30/60 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	111,047	126.96	136	0.934	0.760
13	137,456	187.00	202	0.926	1.129
14	152,149	175.92	189	0.931	1.056
15	49,822	185.93	206	0.903	1.151
16	396,872	162.78	175	0.930	0.978
17	145,324	197.32	215	0.918	1.201
18	159,271	147.75	163	0.906	0.911
24	2,066,500	129.81	151	0.860	0.844
25	136,978	171.78	191	0.899	1.067
26	464,301	208.38	246	0.847	1.374
31	310,939	172.92	192	0.901	1.073
32	666,538	136.99	155	0.884	0.866
33	773,114	166.30	192	0.866	1.073
40	188,976	213.24	236	0.904	1.319
41	106,748	183.47	196	0.936	1.095
43	75,126	171.77	189	0.909	1.056
47	85,447	166.67	188	0.887	1.050
51	69,740	143.35	153	0.937	0.855
52	454,379	191.94	206	0.932	1.151
SW	6,550,727	158.62	178.98	0.886	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PROPERTY DAMAGE LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2006	\$25000 PRES. AVG. PREM	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	111,047	148.44	159	0.934	0.978
13	137,456	179.59	194	0.926	1.193
14	152,149	174.06	187	0.931	1.150
15	49,822	166.98	185	0.903	1.137
16	396,872	174.87	188	0.930	1.156
17	145,324	175.29	191	0.918	1.174
18	159,271	151.37	167	0.906	1.027
24	2,066,500	127.23	148	0.860	0.910
25	136,978	158.29	176	0.899	1.082
26	464,301	135.53	160	0.847	0.984
31	310,939	151.30	168	0.901	1.033
32	666,538	138.76	157	0.884	0.965
33	773,114	124.72	144	0.866	0.885
40	188,976	175.29	194	0.904	1.193
41	106,748	165.69	177	0.936	1.088
43	75,126	137.23	151	0.909	0.928
47	85,447	132.99	150	0.887	0.922
51	69,740	166.78	178	0.937	1.094
52	454,379	184.48	198	0.932	1.217
SW	6,550,727	144.47	162.65	0.888	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
MEDICAL PAYMENTS

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) \$500 PRES. AVG. PREM	(3) \$500 BASE CLASS RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR
11	73,195	10.96	16	0.685
13	94,775	16.75	24	0.698
14	105,980	15.20	22	0.691
15	35,698	16.04	24	0.668
16	303,241	14.61	21	0.696
17	100,758	16.87	25	0.675
18	109,622	12.88	19	0.678
24	1,581,439	11.55	18	0.642
25	94,752	14.52	22	0.660
26	364,724	18.30	29	0.631
31	243,321	15.47	23	0.673
32	502,510	11.82	18	0.657
33	666,906	14.95	23	0.650
40	111,528	18.62	28	0.665
41	66,893	15.47	23	0.673
43	60,019	14.77	22	0.671
47	68,724	14.55	22	0.661
51	53,464	12.60	18	0.700
52	307,656	16.66	24	0.694
SW	4,945,205	13.93	21.14	0.659
Avg. ILF				2.172
Total				1.431

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
FULL COVERAGE COMPREHENSIVE

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2006	PRES. AVG. PREM	2007 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	78,934	74.44	38	1.959	0.727
13	96,388	103.00	54	1.907	1.034
14	110,386	84.56	43	1.967	0.823
15	36,209	84.79	43	1.972	0.823
16	309,538	91.65	45	2.037	0.861
17	111,296	77.46	40	1.937	0.766
18	114,614	79.35	40	1.984	0.766
24	1,399,243	97.53	53	1.840	1.015
25	95,598	83.01	44	1.887	0.842
26	298,626	117.83	66	1.785	1.263
31	235,584	99.37	51	1.948	0.976
32	483,045	87.82	46	1.909	0.881
33	502,182	127.58	72	1.772	1.378
40	134,883	96.31	52	1.852	0.995
41	77,367	81.80	46	1.778	0.881
43	54,825	78.62	43	1.828	0.823
47	57,448	82.11	45	1.825	0.861
51	58,609	84.71	39	2.172	0.747
52	352,770	97.75	48	2.036	0.919
SW	4,607,545	98.01	52.24	1.876	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
\$100 DEDUCTIBLE COLLISION

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) PRES. AVG. PREM	(3) 2007 BASE CLASS RATE	(4) (2)/(3) DISTRIB. ADJUST. FACTOR	(5) (3)/SW(3) HISTORICAL ADJUST. FACTOR
11	73,803	216.51	187	1.158	0.946
13	91,929	245.22	208	1.179	1.052
14	103,835	236.30	202	1.170	1.022
15	33,999	230.35	201	1.146	1.016
16	297,009	232.68	191	1.218	0.966
17	107,109	231.60	196	1.182	0.991
18	106,217	212.08	185	1.146	0.936
24	1,246,541	209.58	197	1.064	0.996
25	88,290	225.60	201	1.122	1.016
26	280,435	227.35	210	1.083	1.062
31	225,033	217.55	185	1.176	0.936
32	439,491	207.71	187	1.111	0.946
33	468,707	211.11	197	1.072	0.996
40	129,810	281.16	232	1.212	1.173
41	74,361	293.65	237	1.239	1.199
43	52,739	217.09	185	1.173	0.936
47	54,190	218.35	194	1.126	0.981
51	56,641	231.19	180	1.284	0.910
52	340,427	253.23	205	1.235	1.037
SW	4,270,566	223.01	197.74	1.128	

SECTION D
EXPLANATORY MATERIAL

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Explanatory Memorandum

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of private passenger automobile insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS and NISS data. Data for certain companies are not included, as noted on page H-7.

Premium, Loss, and Expense Experience

This revision is based upon the combined premium, loss, and expense experience, as applicable, of all licensed companies writing private passenger automobile insurance in this State, except as noted in Section H. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total private passenger automobile insurance experience with the official statistical agents recorded pursuant to the officially approved statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents to act on his behalf for the collection of private passenger automobile insurance experience in North Carolina; Insurance Services Office (ISO), Independent Statistical Service (ISS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Automobile Statistical Plan and the 2006 Official Statistical Programs of ISO, the Automobile Statistical Plan - All Coverages and the 2006 Statistical Programs of ISS, and the Automobile Statistical Plan - All Coverages - Part IV, North Carolina and the 2006 Statistical Programs of NISS. In substance, the statistical plans of all statistical agents are alike in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined.

The filing of experience is accompanied by an affidavit executed by an officer of the statistical agent responsible for and acquainted with the statistical procedures employed for the production of this end product. Further, the licensing of an organization and its appointment as a statistical agent in the various states is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify the data consolidated by them as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

Statewide Rate Exhibits

1. Experience

A. Private Passenger Automobile Liability

Private passenger automobile liability experience for voluntary and ceded business was compiled on a calendar/accident year basis for the years ended December 31, 2006, 2005 and 2004. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the premiums and number of cars "earned" during the same period.

B. Private Passenger Automobile Physical Damage

Private passenger automobile experience for physical damage coverages for both standard and consent to rate (also referred to as non-standard) business was compiled on a calendar year basis for the years ended December 31, 2006, 2005 and 2004, and includes experience for all losses paid in the respective twelve-month periods.

Based on credibility considerations, the overall indicated rates for Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision are based on the loss and expense experience of the year ended December 31, 2006. However, the experience of the earlier two years was also considered and evaluated. Indicated rates for all three years were reviewed to make sure that there were no anomalies or abnormalities associated with the latest year. Because of the smaller volume of experience for Uninsured Motorists and Underinsured Motorists coverage, three years of experience were utilized in the determination of the overall indicated rates, with each year of experience given weight proportional to its earned car years.

C. Motorcycles

For liability, the motorcycle data are obtained from a Special Call for Expense Experience issued by the Rate Bureau. The liability data are compiled on a combined voluntary and ceded basis. The motorcycle data are for the years ended December 31, 2006, 2005 and 2004. Because of the small volume of motorcycle experience, each year of the experience period is given weight proportional to its earned premium in the calculation of an indicated change.

2. Losses

A. Private Passenger Automobile Liability

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows: Each year the experience is compiled for the latest three years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months and the next preceding year as of 39 months, all measured from the beginning of each accident year respectively. From reports of prior years, similarly aged experience was obtained so that there are available 3 successive reports for each year except the current and the preceding year. For the latter, 2 successive reports are available.

Further aged data are obtained on each year's incurred losses in the aggregate as of 51 months and as of 63 months. As of 63 months, nearly all incurred losses are paid. From a comparison of the incurred losses for each year at its successive valuation dates, it is determined what the rate of development has been in the past. An average of these developments gives an indication of the future development of the incurred losses for those years which have not yet sufficiently matured. This development is reflected in the incurred losses for the less matured years by the application of loss development factors. These loss development factors are shown on pages C-1, C-3, and C-5.

The derivation of the factors shown above is presented on pages D-14, D-15 and D-16. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

B. Private Passenger Automobile Physical Damage

Physical Damage losses are reported on a paid basis. These losses are then adjusted to an incurred basis based on Page 15 annual statement data. These adjustment factors are shown on pages C-7, C-9, and C-11. In order to insure stability in Comprehensive rate levels while maintaining adequacy in the event of large, unexpected wind and water losses, an excess wind and water procedure is utilized. This procedure excludes all excess wind and water losses from the experience period and employs a long term factor to account for these losses. Hence, violent shifts in rate level (both upward and downward), which might result from reflecting large, unexpected wind and water losses only in the year in which they occur, will be avoided. The first step in this procedure is to subtract the excess wind and water losses, if applicable, from the total losses for the experience period. Then, an average excess wind and water factor is applied to the losses. The derivation of the factor is shown on page D-13.

3. Loss Adjustment Expense

A. Private Passenger Automobile Liability

The liability unallocated loss adjustment expenses are determined as a percentage of the North Carolina incurred losses and allocated loss adjustment expenses based on a North Carolina expense call. The expense call data and the percentages derived from them are shown on page H-539.

B. Private Passenger Automobile Physical Damage

The physical damage loss adjustment expenses are determined as a percentage of the North Carolina incurred losses based on a North Carolina expense call. The expense call data and the percentages determined from them are shown on pages H-540 and H-541.

4. General Expenses and Other Acquisition Expenses

The general expenses and other acquisition expenses are determined as a percentage of North Carolina earned premiums based on a North Carolina expense call. The expense call data and the percentages determined from them are shown on pages H-539-H-541.

5. Prospective Annual Change in Losses

A. Private Passenger Automobile Liability

The prospective annual changes in liability losses are determined by coverage for the Bodily Injury, Property Damage and Medical Payments coverages. The average annual changes in losses are based upon the available North Carolina average claim cost and claim frequency data, both from collected statistical plan experience and ISO-PCI(ISS) Fast Track data. The claim cost data are used as a measure of the inflationary trend in the cost of claims. The claim frequency data are used as a measure of the expected trend in claim occurrence. Exponential and linear curves of best fit are developed from the claim cost and claim frequency data. The prospective average annual changes in losses used in the determination of the needed rate level change are also based upon consideration of changes in the number of miles driven, the changing cost of gasoline, and the impact of recent legislation. The expected average annual changes in losses have been selected based upon analysis and review of these data.

B. Private Passenger Automobile Physical Damage

The prospective annual changes in physical damage losses are determined by coverage for Comprehensive and Collision. The average annual change in Comprehensive losses is based on trend experience excluding wind and water and "all other" losses. The average annual change in Collision losses is based on available North Carolina Collision data, both from collected statistical plan experience and ISO-PCI(ISS) Fast Track data. The claim cost data are used as a measure of the inflationary trend in the cost of claims. The claim frequency data are used as a measure of the expected trend in claim occurrence. Exponential and linear curves of best fit are developed from the claim cost and claim frequency data. The prospective annual change in Collision losses is also based upon consideration of changes in the number of miles driven, the changing cost of gasoline, and the impact of recent legislation. The expected average annual changes in losses have been selected based upon analysis and review of these data.

C. Annual Changes in Loss for Earlier Years

Since the average annual change in losses determined for each coverage is the appropriate rate of change to apply to losses to project them from average date of accident in the most recent year to the average date of accident for the prospective period, it is necessary to recognize known changes from earlier years to the most recent year. These changes are reflected by means of a current cost factor which reflects the changes in pure premiums for the years ended 12/31/2004 and 12/31/2005 to the year ended 12/31/2006 pure premiums. For the purposes of display and calculation of the indicated change by coverage, these actual changes are compounded with the prospective annual change in losses by means of equivalent annual percentage changes. These calculations are shown on pages D-9 and D-10.

6. Prospective Annual Change in Expenses

The average annual change in expenses is based on the All Items Consumer Price Index and the Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service, as shown on pages D-11 and D-12. The expected average annual change in expenses is then selected based on analysis and review of these data.

7. Trend Period

The number of years of projection for losses and loss adjustment expenses is the number of years from the average date of accident in the experience period to the average date of coverage under the filed rates. The average date of accident for accident year ended December 31, 2006 is July 1, 2006.

The changes proposed in this filing are applicable to all new and renewal policies written on or after October 1, 2008. The losses and loss adjustment expenses are projected to July 12, 2009. For 6 month policies, the average date of loss is 9 months after the effective date, since losses will occur under these policies throughout the 18 month period commencing with the anticipated effective date. Similarly, for 12 month policies, the average date of loss is 12 months after the anticipated effective date, since losses will occur under these policies throughout the 24 month period commencing with the assumed effective date for annual policies. The average dates of loss during these periods anticipated are weighted based on the distribution of 6 and 12 month policies.

The most recent distribution of policies by term is:

6 month policies	87%
12 month policies	13%

Other acquisition expenses and general expenses are projected six months beyond the anticipated effective date (April 1, 2009) to reflect expense incurred in writing policies throughout the 12 month period commencing with the anticipated effective date.

8. Expected Loss and Loss Adjustment Ratios

These quantities represent the portion of the present premium income available for losses, loss adjustment expenses, general expenses and other acquisition expenses. They are determined from special calls for North Carolina expense experience and reflect the 2006, 2005 and 2004 results as reported by all companies licensed in North Carolina during those years. The breakdowns of the expected loss and loss adjustment ratios are set forth on Pages D-20 to D-25, E-8 and F-4.

9. Premium Trend

Private Passenger Automobile Physical Damage

The required average premiums per exposure for the physical damage coverages are adjusted to reflect the distribution of exposures by model year and the corresponding model year rating relativities in effect during the prospective rating period.

The physical damage required average premiums per exposure are also adjusted for "symbol drift" which accounts for the anticipated increase in premium revenue due to the increasing prices of new cars. A symbol trend factor is derived using the average symbol factors for recent years, as shown in Section H. The average annual change in the average symbol is then projected from the average date of writing for policies that are earned in the latest year of experience to the anticipated average date of earning under the proposed rates.

Territory Rate Exhibits

1. Base Class Loss Cost

For each coverage, a base class loss cost by territory is derived by dividing the latest three year average pure premium by the latest year distributional adjustment factor. The distributional adjustment factor is determined for each territory by dividing the latest year average rate by the base class rate (see pages C-19-C-23). The average rates reflect the most recent distribution of risks by class in each territory. The pure premium or loss cost (losses / exposures) is based on three years of experience for purposes of stability.

2. Credibility

The base class loss cost for each territory is assigned a credibility value on the basis of the number of claims underlying the three year pure premium. The complement of the credibility assigned to the territory base class loss cost is assigned to the statewide base class loss cost. The credibility table utilized is shown on page D-27.

3. Formula Base Class Loss Cost

The formula base class loss cost by territory is calculated by multiplying the territory base class loss cost by its credibility value and adding this amount to the statewide base class loss cost multiplied by the complement of the territory credibility and the historical adjustment factor. The historical adjustment factor is calculated as the ratio of the current territory base class rate to the current statewide average base class rate. See pages C-19-C-23.

4. Index to State

Territory indices to state are calculated by dividing each territory's credibility-weighted formula base class loss cost with the statewide formula base class loss cost.

5. Filed Base Rate

Filed base rates by territory were developed so as to achieve the statewide required base class premium. In addition, the rate change has been distributed in such a way that 100% of the general and other acquisition expenses have been flattened by territory. Offsets are applied to the Physical Damage coverages to reflect the change in base model year from 2007 to 2009. The calculation of the flattened general and other acquisition expenses and the application of the offsets are described on page C-17.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	5.0%	-4.0%	0.8%
Bodily Injury (T/L)	6.0%		
Property Damage	3.0%	-1.0%	2.0%
Medical Payments	2.0%	-2.5%	-0.6%
Uninsured Motorists			0.0%
Underinsured Motorists			7.0%
Comprehensive	0.0%	-2.0%	-2.0%
Collision	2.0%	1.0%	3.0%
<u>Expense Trend</u>			3.8%
<u>Symbol Trend</u>			
Comprehensive			1.0%
Collision			0.0%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2006 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2004	1.092	0.921	1.006	1.008	1.006
	2005	1.045	0.972	1.016	1.008	1.010
	2006	1.000	1.000	1.000	1.008	1.008
Property Damage	2004	1.055	0.959	1.012	1.020	1.014
	2005	1.041	0.984	1.024	1.020	1.021
	2006	1.000	1.000	1.000	1.020	1.020
Medical Payments	2004	1.030	0.908	0.935	0.994	0.983
	2005	1.015	0.967	0.982	0.994	0.991
	2006	1.000	1.000	1.000	0.994	0.994
Comprehensive	2004	1.008	0.826	0.833	0.980	0.953
	2005	0.992	0.955	0.947	0.980	0.972
	2006	1.000	1.000	1.000	0.980	0.980
Collision	2004	1.047	0.942	0.986	1.030	1.015
	2005	1.040	0.989	1.029	1.030	1.030
	2006	1.000	1.000	1.000	1.030	1.030

(a) 2004 Claim Cost Change = (2006 Claim Cost) / (2004 Claim Cost).
2005 Claim Cost Change = (2006 Claim Cost) / (2005 Claim Cost).

(b) 2004 Claim Frequency Change = (2006 Claim Frequency) / (2004 Claim Frequency). 2005 Claim Frequency Change = (2006 Claim Frequency) / (2005 Claim Frequency).

(c) Current Cost Factor = Column (2) * Column (3)

(d) Annualized Trend for 2004 and 2005

$$= [(COL(5))^m \times (COL(4))^{(1/n)}]$$

where m is the number of years of projection of the 2006 trend factor from 7/1/2006 to 7/12/2009, 3.03, Col (4) represents the Current Cost Factor to 7/1/2006, and n represents the number of years of projection for a given prior year, 4.03 for 2005 and 5.03 for 2004.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2004	\$ 6,410	1.51
	2005	6,697	1.43
	2006	7,001	1.39
Property Damage	2004	\$ 2,546	3.92
	2005	2,580	3.82
	2006	2,685	3.76
Medical Payments	2004	\$ 1,784	1.31
	2005	1,810	1.23
	2006	1,837	1.19
Comprehensive	2004	\$ 492	5.35
	2005	500	4.63
	2006	496	4.42
Collision	2004	\$ 2,874	4.97
	2005	2,892	4.73
	2006	3,009	4.68

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages H-482 and H-484. Paid Claim Cost for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible and \$250 Deductible combined data, adjusted for catastrophe, as shown on pages H-491 through H-494. Paid Claim Cost for Collision is based on \$100, \$200, \$250, and \$500 Deductible combined, All Carrier data, as shown on pages H-503 through H-506.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data. Paid Claim Frequency for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible and \$250 Deductible combined data, adjusted for catastrophe, as shown on pages H-495 through H-498. Paid Claim Frequency for Collision is based on \$100, \$200, \$250, and \$500 Deductible combined All Carrier data, as shown on pages H-507 through H-510.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.22%	3.39%	3.31%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.15%	3.04%	3.10%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.81%	3.24%	3.03%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	4.63%	4.61%	4.62%
(5) Average Annual Index (D)			
Year Ended 3/31/2005	190.30	183.13	
Year Ended 9/30/2005	193.51	186.93	
Year Ended 3/31/2006	197.04	189.88	
Year Ended 9/30/2006	200.63	192.13	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	

(6) Current Cost Factor (Index Value Divided by Average Annual Index)

Year Ended 3/31/2005	1.10	1.10	1.10
Year Ended 9/30/2005	1.08	1.08	1.08
Year Ended 3/31/2006	1.06	1.06	1.06
Year Ended 9/30/2006	1.04	1.05	1.05
Year Ended 3/31/2007	1.03	1.03	1.03
Year Ended 9/30/2007	1.02	1.02	1.02

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service. Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA
 PRIVATE PASSENGER AUTOMOBILE INSURANCE
 COMPREHENSIVE COVERAGES
 DERIVATION OF EXCESS WIND AND WATER FACTOR

Year	(1) Wind & Water Paid Losses (a)	(2) Total Paid Losses (a)	(3) (2)-(1) [Total - Wind & Water]	(4) [Wind & Water] / [Total - Wind & Water]	(5) (4)-Avg. (4) Excess Wind & Water Ratio	(6) (3) x (5) Excess Wind & Water Losses
12/31/77	495,116	11,546,453	11,051,337	0.045	0.000	0
12/31/78	720,697	11,699,011	10,978,314	0.066	0.000	0
12/31/79	426,482	11,262,032	10,835,550	0.039	0.000	0
12/31/80	970,069	12,639,553	11,669,484	0.083	0.000	0
6/30/82	776,765	12,888,840	12,112,075	0.064	0.000	0
12/31/82	1,241,071	13,864,486	12,623,415	0.098	0.000	0
12/31/83	580,053	13,722,505	13,142,452	0.044	0.000	0
12/31/84	4,856,972	19,768,396	14,911,424	0.326	0.127	1,893,751
12/31/85	5,463,414	20,781,442	15,318,028	0.357	0.158	2,420,248
12/31/86	2,809,049	18,781,759	15,972,710	0.176	0.000	0
12/31/87	1,484,233	19,918,610	18,434,377	0.081	0.000	0
12/31/88	5,074,247	25,070,383	19,996,136	0.254	0.055	1,099,787
12/31/89	11,554,992	32,652,862	21,097,870	0.548	0.349	7,363,157
12/31/90	4,423,094	26,845,160	22,422,066	0.197	0.000	0
12/31/91	1,271,154	21,820,454	20,549,300	0.062	0.000	0
12/31/92	1,928,913	21,696,593	19,767,680	0.098	0.000	0
12/31/93	18,640,617	67,247,004	48,606,387	0.384	0.185	8,992,182
12/31/94	3,267,309	54,565,559	51,298,250	0.064	0.000	0
12/31/95	9,648,334	65,189,949	55,541,615	0.174	0.000	0
12/31/96	49,270,157	121,767,966	72,497,809	0.680	0.481	34,871,446
12/31/97	8,337,582	74,959,385	66,621,803	0.125	0.000	0
12/31/98	36,582,228	109,433,029	72,850,801	0.502	0.303	22,073,793
12/31/99	82,839,636	254,543,319	171,703,683	0.482	0.283	48,592,142
12/31/00	26,900,286	219,752,475	192,852,189	0.139	0.000	0
12/31/01	12,205,306	195,182,807	182,977,501	0.067	0.000	0
12/31/02	19,987,319	207,651,735	187,664,416	0.107	0.000	0
12/31/03	71,165,906	270,447,922	199,282,016	0.357	0.158	31,486,559
12/31/04	18,276,472	181,519,147	163,242,675	0.112	0.000	0
12/31/05	12,014,702	168,772,298	156,757,596	0.077	0.000	0
12/31/06	26,822,071	187,079,419	160,257,348	0.167	0.000	0

(7) Average (4) = 5.975 /30 = 0.199

(8) Average Excess Wind & Water Ratio = 2.099 /30 = 0.070

(9) Excess Wind & Water Factor = 1 + (8)/[1+(7)-(8)] = 1.062

(a) Losses are for Full Coverage and \$50 Deductible Comprehensive for 1977-6/82.
 Losses are for Full Coverage, \$50 Deductible and \$100 Deductible Comprehensive for 12/82-1990.
 Losses are for Full Coverage, \$50, \$100 and \$250 Deductible Comprehensive for 1991-1992.
 Losses are for Full Coverage, \$50, \$100, \$250 and \$500 Deductible Comprehensive for 1993-1996.
 Losses are for Full Coverage, \$50, \$100, \$250, \$500 and \$1000 Deductible Comprehensive for 1997-2006.
 Data prior to 1999 is for ISO reporting companies only.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					459,179,969
1994				499,778,973	497,362,994
1995			508,281,001	510,695,093	507,711,940
1996		507,084,121	507,244,864	507,972,820	508,379,926
1997	499,433,785	506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	506,516,812
2002	502,055,673	533,149,260	548,869,443	557,723,529	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	
2004	539,624,419	573,780,470	593,251,141		
2005	534,184,208	576,962,347			
2006	555,212,150				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.995
1995			1.005	0.994
1996		1.000	1.001	1.001
1997	1.014	1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	1.003
2002	1.062	1.029	1.016	0.999
2003	1.084	1.035	1.011	
2004	1.063	1.034		
2005	1.080			

Five Year Average 1.066 1.028 1.013 1.003

Three Year Average (b) 1.068 1.033 1.014 1.002

Five Year Three Year

39 to 63 months: 1.016 1.016
27 to 63 months: 1.044 1.050
15 to 63 months: 1.113 1.121

- (a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.
- (b) The 15-27 month three year average is for 2002, 2004 and 2005.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					290,374,126
1994				342,544,827	342,489,519
1995			386,974,758	387,215,933	387,183,990
1996		434,360,545	434,632,796	434,999,549	434,974,174
1997	437,020,628	440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	502,958,797
2002	521,387,936	529,534,675	531,145,335	532,186,698	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	
2004	540,779,130	552,344,575	560,950,492		
2005	560,372,482	572,679,307			
2006	585,759,190				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	1.000
2003	1.018	1.005	0.999	
2004	1.021	1.016		
2005	1.022			

Five Year Average	1.018	1.004	1.001	1.000
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Three Year Average	1.020	1.008	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.005	1.009
15 to 63 months:	1.023	1.029

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

l Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					75,141,528
1994				79,141,305	79,248,603
1995			82,590,616	83,077,081	83,224,393
1996		81,079,429	81,935,144	82,511,325	82,792,510
1997	76,476,955	79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	84,208,944
2002	84,407,330	89,375,713	90,811,468	91,440,492	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	
2004	85,271,787	89,295,154	91,165,945		
2005	84,730,224	89,100,195			
2006	91,005,311				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.002
1996		1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	1.000
2003	1.070	1.006	1.008	
2004	1.047	1.021		
2005	1.052			

Five Year Average	1.058	1.016	1.008	1.003
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Three Year Average	1.056	1.014	1.007	1.000
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	Five Year	Three Year
39 to 63 months:	1.011	1.007
27 to 63 months:	1.027	1.021
15 to 63 months:	1.087	1.078

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					72,128
1994				84,346	83,857
1995			90,615	90,309	89,961
1996		94,473	94,022	93,916	93,519
1997	96,535	94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	87,694
2002	96,845	93,413	92,563	92,015	91,069
2003	98,407	94,411	93,472	92,709	
2004	98,867	95,352	94,812		
2005	96,834	93,155			
2006	96,429				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			0.997	0.996
1996		0.995	0.999	0.996
1997	0.976	0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	0.995
2002	0.965	0.991	0.994	0.990
2003	0.959	0.990	0.992	
2004	0.964	0.994		
2005	0.962			
Five Year Average	0.962	0.991	0.994	0.995
Three Year Average	0.962	0.992	0.994	0.994
		Five Year	Three Year	
39 to 63 months:		0.989	0.988	
27 to 63 months:		0.980	0.980	
15 to 63 months:		0.943	0.943	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,569
1994				191,123	191,119
1995			203,409	203,482	203,511
1996		214,611	215,087	215,218	215,208
1997	213,462	215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	222,788
2002	225,129	226,768	227,050	227,280	227,151
2003	235,482	236,947	237,345	236,866	
2004	239,528	241,668	244,848		
2005	242,482	245,096			
2006	243,912				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.001	1.000
1997	1.007	1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	0.999
2002	1.007	1.001	1.001	0.999
2003	1.006	1.002	0.998	
2004	1.009	1.013		
2005	1.011			
Five Year Average	1.008	1.002	1.000	1.000
Three Year Average	1.009	1.005	1.000	0.999

Five Year Three Year

39 to 63 months:	1.000	0.999
27 to 63 months:	1.002	1.004
15 to 63 months:	1.010	1.013

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
Medical Payments Incurred Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					60,391
1994				66,604	66,592
1995			68,876	69,056	69,057
1996		68,189	68,540	68,706	68,723
1997	64,007	65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	59,579
2002	60,999	61,948	62,273	62,406	62,393
2003	59,036	60,027	60,458	60,586	
2004	56,892	57,641	58,405		
2005	56,522	57,491			
2006	59,284				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		1.005	1.002	1.000
1997	1.029	1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	1.000
2002	1.016	1.005	1.002	1.000
2003	1.017	1.007	1.002	
2004	1.013	1.013		
2005	1.017			

Five Year Average	1.016	1.008	1.002	1.000
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Three Year Average	1.016	1.008	1.002	1.000
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	Five Year	Three Year
39 to 63 months:	1.002	1.002
27 to 63 months:	1.010	1.010
15 to 63 months:	1.026	1.026

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	10.0%	10.0%
b) Taxes, Licenses and Fees (iv)	2.1	2.1
c) Underwriting Profit (v)	8.0	11.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	20.1	23.1
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	79.9	76.9
g) Total Premium	100.0	100.0

(i) For use with 12/31/2006 Liability data.

(ii) For use with 12/31/2006 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	10.4%	9.7%
b) Taxes, Licenses and Fees (iv)	2.3	2.3
c) Underwriting Profit (v)	8.0	11.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	20.7	23.0
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	79.3	77.0
g) Total Premium	100.0	100.0

(i) For use with 12/31/2005 Liability data.

(ii) For use with 12/31/2005 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (i)	Physical Damage (ii)
a) Commission + Brokerage (iii)	9.9%	9.4%
b) Taxes, Licenses and Fees (iv)	2.3	2.2
c) Underwriting Profit (v)	8.0	11.0
d) Contingencies (See Exhibit RB-6)	0.0	0.0
e) Total; Variable expenses, Underwriting Profit, and Contingencies	20.2	22.6
f) Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses (vi)	79.8	77.4
g) Total Premium	100.0	100.0

(i) For use with 12/31/2004 Liability data.

(ii) For use with 12/31/2004 Physical Damage data.

(iii) For Liability Commission and Brokerage, the voluntary portion of the ratio is determined using the voluntary/ceded premium distribution and an assumed 10.0% ceded ratio to premiums at collected level. For Physical Damage Commission and Brokerage, the ratio for standard business is used.

(iv) For Physical Damage Taxes, Licenses and Fees, the ratio for standard business is used.

(v) The underwriting profit factor was determined to be necessary in addition to investment income earned or realized by insurers from unearned premium, and loss and loss expense reserve funds generated from business within this state.

(vi) Permissible Loss, LAE, General and Other Acquisition Expense Ratio in (f) equals 100% minus item (e).

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	79.9	76.9
Loss Adjustment Expense (See pages H-539-H-541)		
Bodily Injury & Medical Payments	12.7	-
Property Damage	11.1	-
Physical Damage	-	12.6 (c)
General Administration (See pages H-539-H-541)	7.9	6.6 (c)
Other Acquisition Expenses (See pages H-539-H-541)	9.0	8.1 (c)

(a) For use with 12/31/2006 Liability data.

(b) For use with 12/31/2006 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	79.3	77.0
Loss Adjustment Expense (See pages H-539-H-541)		
Bodily Injury & Medical Payments	12.8	-
Property Damage	12.2	-
Physical Damage	-	15.9 (c)
General Administration (See pages H-539-H-541)	5.8	5.0 (c)
Other Acquisition Expenses (See pages H-539-H-541)	9.5	7.5 (c)

(a) For use with 12/31/2005 Liability data.

(b) For use with 12/31/2005 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

COMPONENTS OF PERMISSIBLE LOSS, LAE,
GENERAL AND OTHER ACQUISITION EXPENSE RATIO

	Liability (a)	Physical Damage (b)
Permissible Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	79.8	77.4
Loss Adjustment Expense (See pages H-539-H-541)		
Bodily Injury & Medical Payments	11.3	-
Property Damage	12.6	-
Physical Damage	-	15.2 (c)
General Administration (See pages H-539-H-541)	6.4	5.1 (c)
Other Acquisition Expenses (See pages H-539-H-541)	8.9	7.5 (c)

(a) For use with 12/31/2004 Liability data.

(b) For use with 12/31/2004 Physical Damage data.

(c) Physical Damage ratios are for standard and non-standard business combined.

Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate indications in the determination of accident year weights.
- 2) territory rate indications in the determination of the individual territory's formula base class loss cost.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Uninsured Motorists and Underinsured Motorists, each year of the experience period is given weight proportional to its earned car years in the calculation of an indicated premium per exposure.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.

CREDIBILITY TABLES BASED
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

SECTION E
UNINSURED MOTORISTS REVIEW

NORTH CAROLINA
UNINSURED MOTORISTS REVIEW
PRIVATE PASSENGER CARS
BASIC LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006
(1) Incurred Losses and ALAE (30/60 UMBI) (a)	39,565,863	38,738,983	36,582,765
(2) Incurred Losses and ALAE (\$25,000 UMPD) (a)	11,188,673	11,827,267	11,834,991
(3) Loss Development Factor (30/60 UMBI) (b)	1.009	1.050	1.163
(4) Loss Development Factor (\$25,000 UMPD) (b)	0.984	0.967	0.923
(5) ULAE Factor (BI) (See page H-539)	11.3%	12.8%	12.7%
(6) ULAE Factor (PD) (See page H-539)	12.6%	12.2%	11.1%
(7) Developed Losses and LAE (30/60 UMBI) [(1)x(3)x[1+(5)]]	44,433,137	45,882,451	47,949,067
(8) Developed Losses and LAE (\$25,000 UMPD) [(2)x(4)x[1+(6)]]	12,396,871	12,832,277	12,136,227
(9) Adjustment for stacking of policy limits (c)	1.016	1.000	1.000
(10) Total Developed Losses and LAE [(7)+(8)]*(9)	57,739,288	58,714,728	60,085,294
(11) Avg Annual Change in Losses and LAE (See page D-8)	0.0%	0.0%	0.0%
(12) Years of Trend - Losses (d)	5.03	4.03	3.03
(13) Projected Losses and LAE (d)	57,739,288	58,714,728	60,085,294
(14) Earned Exposures (a) (e)	5,919,084	6,101,254	6,234,654
(15) Developed Incurred Claims (UMBI) (a)	6,126	6,199	6,109
(16) Developed Incurred Claims (UMPD) (a)	9,235	9,296	8,872
(17) Total Incurred Claims [(15)+(16)]	15,361	15,495	14,981
(18) Projected B/L Loss and LAE per exposure [(13)/(14)]	9.75	9.62	9.64
(19) Percentage Dividends (f)	0.0%	0.0%	0.0%
(20) Permissible Loss and LAE Ratio (See page E-8)	0.630	0.630	0.630
(21) Adjustment Factor for Increase in MVR Fee (g)	1.00580	1.00435	1.00000
(22) Required B/L Premium per exposure [((18)/((20)-(19)))x(21)]	15.57	15.34	15.30
(23) Average (Weighted on exposures in line (14))		15.40	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on five-year averages, through 63 months of development for Uninsured Motorists Bodily Injury and Uninsured Motorists Property Damage. See pages E-3 and E-4.

(c) As determined in the Rate Bureau filing deriving the proposed Uninsured Motorists coverage rates in response to a statutory change mandating inter-policy stacking of UM limits in North Carolina, effective 1/1/2004.

(d) Projected losses and allocated loss adjustment expenses =
(12)
[(10) x (1 + (11))⁽¹²⁾], where (12) = the number of years of projection from the average date of accident to 7/12/2009.

(e) UM earned exposures are estimated to be 95.0% of Bodily Injury Liability earned exposures.

(f) Selected value.

(g) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
UNINSURED MOTORISTS REVIEW
PRIVATE PASSENGER CARS
TOTAL LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006
(1) Incurred Losses and ALAE (T/L UMBI) (a)	51,370,735	48,114,611	45,271,902
(2) Incurred Losses and ALAE (T/L UMPD) (a)	11,541,649	12,741,219	11,837,589
(3) Loss Development Factor (T/L UMBI) (b)	1.017	1.067	1.226
(4) Loss Development Factor (T/L UMPD) (b)	0.982	0.965	0.929
(5) ULAE Factor (BI) (See page H-539)	11.3%	12.8%	12.7%
(6) ULAE Factor (PD) (See page H-539)	12.6%	12.2%	11.1%
(7) Developed Losses and LAE (T/L UMBI) [(1)x(3)x[1+(5)]]	58,147,614	57,909,591	62,552,278
(8) Developed Losses and LAE (T/L UMPD) [(2)x(4)x[1+(6)]]	12,761,971	13,795,300	12,217,801
(9) Adjustment for stacking of policy limits (c)	1.016	1.000	1.000
(10) Total Developed Losses and LAE [(7)+(8)]*(9)	72,044,138	71,704,891	74,770,079
(11) Avg Annual Change in Losses and LAE (See page D-8)	0.0%	0.0%	0.0%
(12) Years of Trend - Losses (d)	5.03	4.03	3.03
(13) Projected Losses and LAE (d)	72,044,138	71,704,891	74,770,079
(14) Earned Exposures (a) (e)	5,919,084	6,101,254	6,234,654
(15) Developed Incurred Claims (UMBI) (a)	6,126	6,199	6,109
(16) Developed Incurred Claims (UMPD) (a)	9,235	9,296	8,872
(17) Total Incurred Claims [(15)+(16)]	15,361	15,495	14,981
(18) Projected T/L Loss and LAE per exposure [(13)/(14)]	12.17	11.75	11.99
(19) Percentage Dividends (f)	0.0%	0.0%	0.0%
(20) Permissible Loss and LAE Ratio (See page E-8)	0.630	0.630	0.630
(21) Adjustment Factor for Increase in MVR Fee (g)	1.00580	1.00435	1.00000
(22) Required T/L Premium per exposure [((18)/((20)-(19)))]x(21)]	19.43	18.73	19.03
(23) Average (Weighted on exposures in line (14))		19.06	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on five-year averages, through 63 months of development for Uninsured Motorists Bodily Injury and Uninsured Motorists Property Damage. See pages E-5 and E-6.

(c) As determined in the Rate Bureau filing deriving the proposed Uninsured Motorists coverage rates in response to a statutory change mandating inter-policy stacking of UM limits in North Carolina, effective 1/1/2004.

(d) Projected losses and allocated loss adjustment expenses =
(12)
[(10) x (1 + (11))⁽¹²⁾], where (12) = the number of years of projection from the average date of accident to 7/12/2009.

(e) UM earned exposures are estimated to be 95.0% of Bodily Injury Liability earned exposures.

(f) Selected value.

(g) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Accident Year	Voluntary and Ceded Combined				
	Uninsured Motorists 15 Months	Bodily Injury 27 Months	Basic Limits(a) 39 Months	Incurred Losses as of 51 Months	63 Months
1993					26,708,512
1994				28,457,306	27,736,873
1995			31,438,075	31,439,072	31,176,700
1996		32,393,057	32,492,388	32,306,324	31,794,036
1997	33,248,776	35,255,333	35,901,298	36,875,978	36,519,975
1998	31,585,724	34,066,749	34,181,670	33,882,419	33,680,968
1999	29,239,280	32,978,345	33,190,330	33,444,514	33,492,209
2000	31,236,093	32,637,501	33,073,301	33,677,305	33,379,655
2001	31,401,868	33,755,318	35,021,950	35,507,827	35,426,244
2002	32,704,663	37,596,181	39,565,990	39,583,086	39,653,863
2003	35,307,464	39,489,354	40,993,396	41,853,946	
2004	34,894,192	37,454,484	39,846,551		
2005	35,135,790	39,433,924			
2006	37,169,628				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.975
1995			1.000	0.992
1996		1.003	0.994	0.984
1997	1.060	1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	1.002
2003	1.118	1.038	1.021	
2004	1.073	1.064		
2005	1.122			
Five Year Average	1.108	1.041	1.012	0.997
Three Year Average	1.104	1.051	1.012	0.997
		Five Year	Three Year	
39 to 63 months:		1.009	1.009	
27 to 63 months:		1.050	1.060	
15 to 63 months:		1.163	1.170	

(a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Uninsured Motorists Property Damage Basic Limits(a) Incurred Losses as of					
Accident					
Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				10,190,734	10,047,584
1997			10,938,146	10,658,220	10,566,331
1998		11,271,321	10,965,606	10,864,638	10,831,683
1999	12,485,180	11,385,922	11,252,921	11,143,920	11,257,504
2000	12,175,598	11,758,667	11,563,960	11,413,456	11,324,557
2001	11,522,357	11,260,876	11,051,061	10,921,388	10,833,455
2002	12,734,308	11,995,876	11,782,745	11,588,557	11,589,837
2003	12,929,486	12,177,961	11,919,457	11,701,679	
2004	11,802,989	11,227,531	11,105,182		
2005	12,302,623	11,786,546			
2006	11,776,886				

Loss Development Factors

Accident				
Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.986
1997			0.974	0.991
1998		0.973	0.991	0.997
1999	0.912	0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	1.000
2003	0.942	0.979	0.982	
2004	0.951	0.989		
2005	0.958			

Five Year Average	0.954	0.983	0.986	0.998
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Three Year Average	0.950	0.983	0.985	0.995
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	Five Year	Three Year
39 to 63 months:	0.984	0.980
27 to 63 months:	0.967	0.963
15 to 63 months:	0.923	0.915

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1996-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Accident Year	Voluntary and Ceded Combined				
	Uninsured Motorists 15 Months	Bodily Injury 27 Months	Total Limits 39 Months	Incurred 51 Months	Losses as of 63 Months
1993					35,559,090
1994				34,833,162	33,870,375
1995			40,854,300	40,454,519	40,244,972
1996		41,632,388	42,233,897	42,138,160	41,897,880
1997	37,442,193	41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	50,666,563
2003	42,683,852	48,534,844	50,786,129	52,305,914	
2004	44,012,059	48,971,187	51,836,511		
2005	43,302,325	49,506,298			
2006	46,363,207				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.972
1995			0.990	0.995
1996		1.014	0.998	0.994
1997	1.108	1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	1.009
2003	1.137	1.046	1.030	
2004	1.113	1.059		
2005	1.143			
Five Year Average	1.149	1.049	1.020	0.997
Three Year Average	1.131	1.055	1.015	0.999

Five Year Three Year

39 to 63 months:	1.017	1.014
27 to 63 months:	1.067	1.070
15 to 63 months:	1.226	1.210

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Accident Year	Voluntary and Ceded Combined				
	Uninsured Motorists	Property Damage	Total Limits	Incurred	Losses as of
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				10,203,061	10,076,383
1997			11,008,017	10,743,091	10,651,143
1998		11,394,293	11,114,149	11,012,708	10,944,152
1999	12,646,423	11,537,251	11,423,295	11,369,299	11,482,883
2000	12,388,721	12,006,427	11,819,962	11,638,277	11,537,925
2001	11,822,624	11,591,092	11,354,463	11,189,105	11,098,552
2002	12,833,292	12,129,687	11,933,562	11,679,374	11,680,654
2003	12,994,158	12,324,915	12,034,219	11,810,327	
2004	12,196,649	11,581,589	11,458,158		
2005	12,810,536	12,700,498			
2006	11,779,484				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.988
1997			0.976	0.991
1998		0.975	0.991	0.994
1999	0.912	0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	1.000
2003	0.948	0.976	0.981	
2004	0.950	0.989		
2005	0.991			
Five Year Average				
	0.963	0.983	0.985	0.997
Three Year Average				
	0.963	0.983	0.982	0.994
Five Year Three Year				
39 to 63 months:		0.982	0.976	
27 to 63 months:		0.965	0.959	
15 to 63 months:		0.929	0.924	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE
UNINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Basic Limit <u>Losses (A) (B)</u>	(3) <u>Exposures</u>	(4) UM Pure Premium <u>(2) / (3)</u>
12/31/1995	44,334,967	4,712,510	9.41
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,456,228	5,919,084	9.20
12/31/2005	57,234,669	6,101,254	9.38
12/31/2006	59,748,550	6,234,654	9.58

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	-1.2%
6 points	-0.4%
9 points	-0.2%
12 points	-0.3%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1995 - 12/31/2006.

NORTH CAROLINA

DERIVATION OF PERMISSIBLE LOSS AND LAE RATIO
FOR UNINSURED AND UNDERINSURED MOTORISTS

Commission & Brokerage	10.0%
Taxes, Licenses, Fees	2.1%
General Administration	7.9%
Other Acquisition Expenses	9.0%
Profit	8.0%
Contingencies	0.0%
Total	0.370
Expected Loss Ratio	0.630

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
UNINSURED MOTORISTS COVERAGE

Uninsured Motorists Bodily Injury

Limit	Present	Filed	Filed
	Single Car Policy Rate	Single Car Policy Rate (a)	Multi-Car Policy Rate (b)
30/60	15	13	31
50/100	16	14	33
100/200	18	17	40
100/300	19	19	45
300/300	22	23	54
250/500	24	25	59
500/500	25	27	64
500/1000	27	30	71
1000/1000	28	31	73

Uninsured Motorists Property Damage

Limit	Present	Filed	Filed
	Single Car Policy Rate	Single Car Policy Rate (c)	Multi-Car Policy Rate (b)
25	2	2	5
50	3	3	7
100	4	4	9
250	6	6	14
500	8	8	19
750	10	10	24
1,000	11	11	26

(a) Filed single car rates for Uninsured Motorists Bodily Injury are calculated as follows:

- 1) Determine the 30/60 UMBI rate by rounding the indicated 30/60/25 rate determined on page E-1 and subtracting the \$25,000 UMPD rate of \$2:
\$15 - \$2 = \$13.
- 2) Apply the effective excess limit change of +37.2% to the present excess portion of the rate at each limit, and then add the filed basic limit 30/60 UMBI rate of \$13 to the result.

For example, for 50/100: $(16-15) \times (1+0.372) + 13 = \14 .

(b) Filed multi-car policy rates are calculated by multiplying the filed single car policy rates by a factor of 2.36, which is the average number of cars per multi-car policy in North Carolina. This factor was determined from 2000 U.S. census data.

(c) Filed single car policy rates for Uninsured Motorists Property Damage are equal to the present rates.

The total limits effective change is -5.5%.

NORTH CAROLINA

UNDERINSURED MOTORISTS COVERAGE

Underinsured Motorists (UIM) coverage is triggered if the policy limit of the party at fault in an accident causing bodily injury to an insured is less than the insured's UIM policy limit. In this event and if the policy limits of the party at fault are not enough to pay the full amount of damages to the insured, then the insured is entitled to collect up to the limit of his UIM coverage.

Pages E-11 and E-12 display an experience review and the subsequent calculation of the filed rates for Underinsured Motorists coverage.

The indicated required premium per exposure of \$39.88, as shown on Line (15) of page E-11 represents a 103.4% increase from the current average premium per exposure of \$19.60.

Page E-15 displays current and revised Underinsured Motorists rates.

NORTH CAROLINA
 UNDERINSURED MOTORISTS REVIEW
 PRIVATE PASSENGER CARS
 TOTAL LIMITS REVIEW

All Carriers Voluntary and Ceded Combined	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006
(1) Incurred Losses and ALAE (T/L UIMBI) (a)	57,688,846	48,417,662	35,009,395
(2) Loss Development Factor (T/L UIMBI) (b)	1.094	1.307	2.157
(3) ULAE Factor (BI) (See page H-539)	11.3%	12.8%	12.7%
(4) Developed Losses and LAE (T/L UIMBI) [(1)x(2)x[1+(3)]]	70,243,208	71,381,965	85,105,704
(5) Avg Annual Change in Losses and LAE (See page D-8)	7.0%	7.0%	7.0%
(6) Years of Trend - Losses (c)	5.03	4.03	3.03
(7) Projected Losses and LAE (c)	98,691,707	93,724,520	104,509,805
(8) Earned Exposures (a)(e)	3,844,061	3,962,368	4,049,003
(9) Developed Incurred Claims (UIMBI) (a)	1,419	1,298	1,457
(10) Projected T/L Loss and LAE per exposure [(7)/(8)]	25.67	23.65	25.81
(11) Percentage Dividends (d)	0.0%	0.0%	0.0%
(12) Permissible Loss and LAE Ratio (See page E-8)	0.630	0.630	0.630
(13) Adjustment Factor for Increase in MVR Fee (f)	1.00580	1.00435	1.00000
(14) Required T/L Premium per exposure [((10)/((12)-(11)))x(13)]	40.98	37.70	40.97
(15) Average (Weighted on exposures in line (8))		\$39.88	

(a) Based on the statistical plan data reported by member companies.

(b) Loss development factors are based on five-year averages, through 63 months of development for Underinsured Motorists Bodily Injury. See page E-13.

(c) Projected losses and allocated loss adjustment expenses =

$$\frac{(12)}{[(10) \times (1 + (11))]}$$
], where (12) = the number of years of projection from the average date of accident to 7/12/2009.

(d) Selected value.

(e) UIM earned exposures are estimated to be 61.70% of Bodily Injury Liability earned exposures.

(f) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
PERSONAL AUTO INSURANCE

CALCULATION OF FILED RATES FOR
UNDERINSURED MOTORISTS

LIMITS	(1) % OF EARNED EXPOSURES	(2) PRESENT RATE	(3) FILED RATE [((6)/(5)) x (2)]	(4) PERCENT CHANGE [(3)/(2)]
50/100	40.4%	\$ 5	\$ 10	100.0%
100/200	1.3%	18	37	105.6%
100/300	46.9%	25	51	104.0%
300/300	4.7%	38	77	102.6%
250/500	4.8%	47	96	104.3%
500/500	0.8%	72	146	102.8%
500/1000	0.3%	82	167	103.7%
1000/1000	0.8%	95	193	103.2%

(5)	AVERAGE PRESENT RATE (a):	\$ 19.60
(6)	INDICATED AVERAGE RATE (b)	\$ 39.88
(7)	AVERAGE FILED RATE (c):	\$ 39.88
(8)	FILED CHANGE [(7)/(5)]:	103.4%

Notes:

- (a) Column(2) weighted on Column(1)
- (b) See page E-11.
- (c) Column(3) weighted on Column(1)

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					44,164,098
1994				42,577,301	41,679,804
1995			37,157,691	38,600,050	39,545,528
1996		34,639,477	41,906,510	45,507,696	45,933,358
1997	20,039,109	31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	52,109,200
2003	24,095,268	44,137,295	49,768,667	53,408,780	
2004	33,532,085	53,425,768	61,714,574		
2005	32,329,148	51,262,138			
2006	37,987,530				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.979
1995			1.039	1.024
1996		1.210	1.086	1.009
1997	1.558	1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	1.000
2003	1.832	1.128	1.073	
2004	1.593	1.155		
2005	1.586			
Five Year Average	1.650	1.195	1.079	1.014
Three Year Average	1.670	1.176	1.077	1.008

Five Year Three Year

39 to 63 months:	1.094	1.086
27 to 63 months:	1.307	1.277
15 to 63 months:	2.157	2.133

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE
 UNDERINSURED MOTORISTS
 PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	73,996,769	3,844,061	19.25
12/31/2005	74,957,287	3,962,368	18.92
12/31/2006	90,526,785	4,049,003	22.36

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	8.4%
6 points	5.5%
7 points	4.6%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
UNDERINSURED MOTORISTS COVERAGE

Underinsured Motorists Bodily Injury

Limit	Present Single Car Policy Rate	Filed Single Car Policy Rate (a)	Filed Multi-Car Policy Rate (b)
50/100	5	10	24
100/200	18	37	87
100/300	25	51	120
300/300	38	77	182
250/500	47	96	227
500/500	72	146	345
500/1000	82	167	394
1000/1000	95	193	455

(a) Filed single car rates are calculated on page E-12.

(b) Filed multi-car policy rates are calculated by multiplying the filed single car policy rates by a factor of 2.36, which is the average number of cars per multi-car policy in North Carolina. This factor was determined from 2000 U.S. census data.

SECTION F
MOTORCYCLE REVIEW

NORTH CAROLINA
RATE LEVEL SUMMARY
MOTORCYCLE INSURANCE

	EARNED PREMIUMS AT PRESENT RATES	INDICATED AND FILED RATE LEVEL CHANGE
Liability	24,908	0.7%

(000's omitted)

NORTH CAROLINA

MOTORCYCLE INSURANCE
LIABILITY COVERAGE

STATEWIDE RATE REVIEW

All Carriers

Voluntary and Ceded Combined	Year Ended 12/31/2004	Year Ended 12/31/2005	Year Ended 12/31/2006
(1) Earned Premiums at Present Rates (a)	\$21,778,264	\$24,569,977	\$24,908,420
(2) Incurred Losses (See page H-542)	11,368,841	11,770,230	13,454,104
(3) Loss Adjustment Expense Factor (b)	0.171	0.171	0.171
(4) Loss Adjustment Expense [(2) x (3)]	1,944,072	2,012,709	2,300,652
(5) General & Other Acquisition Expenses (see page H-542)	2,631,975	3,506,937	4,184,710
(6) Average Annual Change in Losses (c) (See page F-5)	0.8%	1.3%	1.2%
(7) Average Annual Change in Expense Costs (See page D-8)	3.8%	3.8%	3.8%
(8) Projected Losses (d)	11,834,963	12,394,052	13,951,906
(9) Projected Loss Adjustment Expenses (e)	2,344,551	2,338,768	2,576,730
(10) Projected General & Other Acquisition Expenses (f)	3,142,578	4,032,978	4,636,659
(11) Projected Losses, LAE and G & OA Expenses [(8)+(9)+(10)]	17,322,092	18,765,798	21,165,295
(12) Projected Loss, LAE and G & OA Expense Ratio [(11)/(1)]	0.795	0.764	0.850
(13) Permissible Loss, LAE and G & OA Expense Ratio (See page F-4)	0.796	0.809	0.797
(14) Adjustment for Increase in MVR Fee (g)	0.580%	0.435%	0.000%
(15) Indicated Rate Level Change [((12)/(13))+(14)] - 1.0	0.5%	-5.1%	6.6%
(16) Final selected rate level change (weighted by premium from Line (1))		0.7%	

NORTH CAROLINA
MOTORCYCLE REVIEW

STATEWIDE RATE REVIEW

Nc

- (a) Based on the earned premiums contained in NCRB expense call and shown on pages H-542, adjusted to current voluntary level.
- (b) Based on the average ratio of loss adjustment expenses to losses over the latest three years. See pages H-542.
- (c) The average annual changes in losses for the Liability coverage is determined by weighting the trends shown on line (12) of pages C-1, C-3 and C-5 on total limits developed losses.

(d) Projected Losses = $[(2) \times (1 + (6))]^n$, where

n = The number of years of projection from the average date of accident to 7/12/2009 (2004=5.03, 2005=4.03, 2006=3.03).

(e) Projected Loss Adjustment Expenses = $[((4) \times (1 + (7)))]^n$, where

n = The number of years of projection from the average date of accident to 7/12/2009 (2004=5.03, 2005=4.03, 2006=3.03).

(f) Projected General and Other Acquisition Expenses = $[(5) \times (1 + (7))]^n$, where

n = The number of years of projection to the average date of writing, 4/1/2009 (2004=4.75, 2005=3.75, 2006=2.75).

(g) Estimated effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
MOTORCYCLE REVIEW

DETERMINATION OF EXPECTED LOSS RATIO AND PROFIT PROVISION

	<u>Liability</u>		
	<u>2004</u>	<u>2005</u>	<u>2006</u>
Commission and Brokerage Expense	0.103	0.091	0.101
Taxes, etc. to Written Premium	0.021	0.020	0.022
Profit	0.080	0.080	0.080
Contingencies	0.000	0.000	0.000
Total	0.204	0.191	0.203
Losses, LAE, General Administration Expenses and Other Acquisition Expenses	0.796	0.809	0.797

NORTH CAROLINA

Motorcycle Insurance

Calculation of Loss Trend Factors

		PP Auto Liability		
	<u>Cov</u>	<u>Auto</u>	<u>Total Limits</u>	<u>Weighted</u>
		<u>Trend(a)</u>	<u>Dev. Losses</u>	<u>Trend</u>
2006	BI	1.008	766,807,413	
	PD	1.020	603,408,224	
	MP	0.994	97,599,953	
			1,467,815,590	1.012
2005	BI	1.010	736,409,878	
	PD	1.021	576,904,041	
	MP	0.991	90,460,612	
			1,403,774,531	1.013
2004	BI	1.006	737,260,541	
	PD	1.014	563,653,241	
	MP	0.983	91,181,543	
			1,392,095,325	1.008

(a) See page D-9.

NORTH CAROLINA
MOTORCYCLE INSURANCE

CALCULATION OF RATE RELATIVITIES

Private Passenger
Liability

COVERAGE	TOTAL LIMITS PREMIUM WEIGHT	FILED CHANGE
Bodily Injury	\$1,251,274	14.0%
Property Damage	958,581	14.8%
(1) Liability Total	2,209,855	14.3%
 (2) Medical Payments		 9.3%

Motorcycles	FILED CHANGE
(3) Liability	0.7%
(4) Motorcycle Liability factor = [(1.0 + (3)) / (1.0 + (1))]	0.881
(5) Motorcycle Med Pay factor = [(1.0 + (3)) / (1.0 + (2))]	0.921

<u>Liability</u> <u>Relativities</u>	(6) Present	(7) (6) x (4) Revised
Engine Size (cc)		
0-499	17%	15%
500-1249	27%	24%
1250-1499	37%	33%
1500-up	49%	43%

<u>Medical Payments</u> <u>Relativities</u>	(8) Present	(9) (8) x (5) Revised
All Engine Sizes	38%	35%

SECTION G
INCREASED LIMITS REVIEW

NORTH CAROLINA

Increased limits Revision

This filing proposes a change to the increased limits factors for Bodily Injury and Property Damage. This change is based upon the review of experience for Bodily Injury and Property Damage contained on pages G-2-3.

This review produces a uniform indication over all limits of coverage. On an excess limits basis, the indicated change for Bodily Injury is +36.4%. On a total limits basis, the indicated change for Bodily Injury is +6.0%. For Property Damage, the indicated change is -40.0% on an excess limits basis. On a total limits basis, the indicated change for Property Damage is -0.4%.

The excess indications of +36.4% and -40.0% were applied uniformly to the excess portion of the current Bodily Injury and Property Damage increased limits factors, respectively, resulting in the indicated increased limits factors for Bodily Injury and Property Damage Liability as shown on pages G-4 and G-5.

The total limits effect of the change in BI increased limits relative to a 30/60 base is +6.1%, and the total limits effect of the change in PD increased limits factors is -0.4% relative to a \$25,000 base, as determined on page G-6. These changes, combined with the 30/60 BI and \$25,000 PD basic limit effective changes of +7.4% and +15.3%, respectively, as shown on page A-2, yield the BI total limits effective change of +14.0% and the PD total limits effective change of 14.8%, as shown on page A-1.

Pages G-7-8 display the calculation of the average increased limits factors for Bodily Injury and Property Damage on a 30/60/25 basis for use in the determination of the uniform indications shown on pages G-2-3, and for use in the determination of the premium weights shown on page A-1.

Page G-8 displays the calculation of the Medical Payments average increased limits factor. This factor is used in the determination of the distributional adjustment factor on page C-21 and in the determination of the premium weights shown on page A-1.

NORTH CAROLINA
REVIEW OF BODILY INJURY INCREASED LIMITS

Voluntary and Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a)(b)	595,341,154	577,570,259	554,842,156	1,727,753,569
(2) Basic limits loss dev. factor (See page D-14)	1.016	1.050	1.121	
(3) Basic limits claim cost trend (See page D-8)	5.0%	5.0%	5.0%	
(4) Years of trend (See page C-2)	5.03	4.03	3.03	
(5) Basic limits trend factor $[1+(3)]^{(4)}$	1.278	1.217	1.159	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	773,019,531	738,048,155	720,872,568	2,231,940,254
(7) Total limits losses (b)	724,936,618	690,816,020	652,602,054	2,068,354,692
(8) Total limits loss dev. factor (See page H-385)	1.017	1.066	1.175	
(9) Total limits claim cost trend (See page D-8)	6.0%	6.0%	6.0%	
(10) Years of trend (See page C-2)	5.03	4.03	3.03	
(11) Total limits trend factor $[1+(9)]^{(10)}$	1.341	1.265	1.193	
(12) Total limits losses, trended and developed (7)x(8)x(11)	988,666,385	931,558,495	914,801,244	2,835,026,124
(13) Indicated average ilf (12)/(6)	1.279	1.262	1.269	1.270
(14) Average increased limits factor (See page G-7)	1.194	1.197	1.202	1.198 (c)
(15) Indicated change to excess limits increments $\{[(13)-1]/[(14)-1]\}-1$				36.4%
(16) Indicated total limits change $\{(13)/(14)\}-1$				6.0%

(a) Basic limits are 30/60.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

NORTH CAROLINA
 REVIEW OF PROPERTY DAMAGE INCREASED LIMITS

Voluntary and Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a)(b)	559,572,995	568,284,887	583,393,339	1,711,251,221
(2) Basic limits loss dev. factor (See page D-15)	1.001	1.009	1.029	
(3) Basic limits losses, developed (1)x(2)	560,132,568	573,399,451	600,311,746	1,733,843,765
(4) Total limits losses (b)	563,090,152	572,325,437	587,544,521	1,722,960,110
(5) Total limits loss dev. factor (See page H-386)	1.001	1.008	1.027	
(6) Total limits losses, developed (4)x(5)	563,653,242	576,904,040	603,408,223	1,743,965,505
(7) Indicated average increased limits factor (6) / (3)	1.006	1.006	1.005	1.006
(8) Average increased limits factor (See page G-8)	1.010	1.010	1.011	1.010 (c)
(9) Indicated change to excess limits increments {[(7)-1]/[(8)-1]}-1				-40.0%
(10) Indicated total limits change {(7)/(8)}-1				-0.4%

(a) Basic limits are \$25,000.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF INCREASED LIMITS FACTORS

Bodily Injury Increased Limits Factors

	(1)	(2)
	Current ILF	Indicated Increased
<u>Policy Limit</u>	<u>30/60 Base</u>	<u>Limits Factor</u>
30/60	1.00	1.00
50/100	1.15	1.20
100/100	1.27	1.37
100/200	1.33	1.45
100/300	1.35	1.48
300/300	1.54	1.74
250/500	1.57	1.78
500/1000	1.73	2.00
1000/1000	1.83	2.13
1000/2000	1.88	2.20

(2) = $[(1) - 1.00] \times 1.364 + 1.00$ where +36.4% is the indicated change to excess increments as determined on page G-2.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF INCREASED LIMITS FACTORS

Property Damage Increased Limits Factors

	(1)	(2)
<u>Policy Limit</u>	<u>Current ILF \$25,000 Base</u>	<u>Indicated Increased Limits Factor</u>
25,000	1.000	1.000
35,000	1.005	1.003
50,000	1.010	1.006
100,000	1.030	1.018
250,000	1.059	1.035
300,000	1.069	1.041
500,000	1.113	1.068
750,000	1.153	1.092
1,000,000	1.202	1.121

(2) = [((1)-1.00) x 0.600] + 1.00 where -40.0% is the indicated change to excess increments as determined on page G-3.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE

CALCULATION OF TOTAL LIMITS CHANGES

North Carolina Year Ending 12/31/2006

Voluntary and Ceded Bodily Injury

Limit Of Liability	(1) Written Premium	(2) Current ILF	(3) (1)/(2) 30/60 Premium	(4) Revised ILF	(5) (3)x(4) T/L Premium	(6) (5)/(1) Percent Change
30/60	281,864,857	1.00	281,864,857	1.00	281,864,857	0.0%
50/100	265,500,694	1.15	230,870,169	1.20	277,044,203	4.3%
100/200	6,129,979	1.33	4,609,007	1.45	6,683,060	9.0%
100/300	391,816,396	1.35	290,234,367	1.48	429,546,863	9.6%
250/500	65,712,800	1.57	41,855,287	1.78	74,502,411	13.4%
300/300	41,680,286	1.54	27,065,121	1.74	47,093,311	13.0%
1000/1000	1,885,530	1.83	1,030,344	2.13	2,194,633	16.4%
All Other	12,611,072	1.202	10,491,740	1.275	13,376,969	6.1%
	1,067,201,614		888,020,892		1,132,306,307	6.1%

North Carolina Year Ending 12/31/2006

Voluntary and Ceded Property Damage

Limit Of Liability	(1) Written Premium	(2) Current ILF	(3) (1)/(2) \$25,000 Premium	(4) Revised ILF	(5) (3)x(4) T/L Premium	(6) (5)/(1) Percent Change
\$25,000	283,666,241	1.000	283,666,241	1.000	283,666,241	0.0%
50,000	413,168,935	1.010	409,078,153	1.006	411,532,622	-0.4%
100,000	158,983,422	1.030	154,352,837	1.018	157,131,188	-1.2%
250,000	2,366,241	1.059	2,234,411	1.035	2,312,615	-2.3%
300,000	192,534	1.069	180,107	1.041	187,491	-2.6%
500,000	635,111	1.113	570,630	1.068	609,433	-4.0%
1,000,000	202,450	1.202	168,428	1.121	188,808	-6.7%
All Other	8,710,017	1.011	8,615,249	1.006	8,666,940	-0.5%
	867,924,951		858,866,056		864,295,338	-0.4%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2006

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF*	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	281,864,857	1.00	281,864,857	1.00	281,864,857
50/100	265,500,694	1.15	230,870,169	1.15	265,500,694
100/200	6,129,979	1.32	4,643,923	1.33	6,176,418
100/300	391,816,396	1.34	292,400,296	1.35	394,740,400
250/500	65,712,800	1.55	42,395,355	1.57	66,560,707
300/300	41,680,286	1.53	27,242,017	1.54	41,952,706
1000/1000	1,885,530	1.80	1,047,517	1.83	1,916,956
All Other	12,611,072	1.198	10,526,771	1.202	12,653,179
	1,067,201,614	1.198	890,990,905	1.202	1,071,365,917

Year Ending 12/31/2005

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	287,079,140	1.00	287,079,140	1.00	287,079,140
50/100	247,528,450	1.14	217,130,219	1.15	249,699,752
100/200	5,960,785	1.30	4,585,219	1.33	6,098,341
100/300	369,817,374	1.32	280,164,677	1.35	378,222,314
250/500	59,583,149	1.52	39,199,440	1.57	61,543,121
300/300	36,852,777	1.50	24,568,518	1.54	37,835,518
1000/1000	1,616,282	1.76	918,342	1.83	1,680,566
All Other	5,457,440	1.181	4,621,033	1.197	5,531,377
	1,013,895,397	1.181	858,266,588	1.197	1,027,690,129

Year Ending 12/31/2004

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	287,868,023	1.00	287,868,023	1.00	287,868,023
50/100	236,754,511	1.14	207,679,396	1.15	238,831,305
100/200	6,621,096	1.30	5,093,151	1.33	6,773,891
100/300	358,194,873	1.32	271,359,752	1.35	366,335,665
250/500	54,869,086	1.52	36,098,083	1.57	56,673,990
300/300	35,186,092	1.50	23,457,395	1.54	36,124,388
1000/1000	1,499,759	1.76	852,136	1.83	1,559,409
All Other	5,281,171	1.179	4,479,365	1.194	5,348,362
	986,274,611	1.179	836,887,301	1.194	999,515,033

* Prior increased limits factors for year ending 12/31/2006 are a weighted average of the increased limits factors effective 5/15/2006 and those effective prior to 5/15/2006.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2006

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
					(3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	283,666,241	1.000	283,666,241	1.000	283,666,241
50,000	413,168,935	1.010	409,078,153	1.010	413,168,935
100,000	158,983,422	1.030	154,352,837	1.030	158,983,422
250,000	2,366,241	1.059	2,234,411	1.059	2,366,241
300,000	192,534	1.069	180,107	1.069	192,534
500,000	635,111	1.113	570,630	1.113	635,111
1,000,000	202,450	1.202	168,428	1.202	202,450
All Other	8,710,017	1.011	8,615,249	1.011	8,710,017
	867,924,951	1.011	858,866,056	1.011	867,924,951

Year Ending 12/31/2005

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
					(3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	294,851,751	1.000	294,851,751	1.000	294,851,751
50,000	401,958,529	1.010	397,978,742	1.010	401,958,529
100,000	148,911,569	1.030	144,574,339	1.030	148,911,569
250,000	2,161,939	1.059	2,041,491	1.059	2,161,939
300,000	192,849	1.069	180,401	1.069	192,849
500,000	571,976	1.113	513,905	1.113	571,976
1,000,000	201,574	1.202	167,699	1.202	201,574
All Other	5,546,577	1.010	5,491,660	1.010	5,546,577
	854,396,764	1.010	845,799,988	1.010	854,396,764

Year Ending 12/31/2004

Voluntary and Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
					(3)x(4)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	T/L Premium
25,000	298,919,466	1.000	298,919,466	1.000	298,919,466
50,000	376,150,192	1.010	372,425,933	1.010	376,150,192
100,000	135,494,994	1.030	131,548,538	1.030	135,494,994
250,000	1,881,352	1.059	1,776,536	1.059	1,881,352
300,000	179,813	1.069	168,207	1.069	179,813
500,000	478,039	1.113	429,505	1.113	478,039
1,000,000	180,047	1.202	149,790	1.202	180,048
All Other	17,120,786	1.010	16,951,273	1.010	17,120,786
	830,404,689	1.010	822,369,248	1.010	830,404,690

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS
MEDICAL PAYMENTS

Year Ending 12/31/2006

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,352,201	1.00	1,352,201
750	98,804	1.33	74,289
1,000	38,744,057	1.60	24,215,036
2,000	42,482,201	2.34	18,154,787
3,000	200,182	2.79	71,750
5,000	25,398,195	3.38	7,514,259
10,000	7,591,259	3.86	1,966,647
All Other	3,616,821	2.172	1,665,203
Total	119,483,720	2.172	55,014,172

Year Ending 12/31/2005

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,470,933	1.00	1,470,933
750	26,105	1.33	19,628
1,000	38,691,496	1.60	24,182,185
2,000	41,759,978	2.34	17,846,144
3,000	144,274	2.79	51,711
5,000	24,776,103	3.38	7,330,208
10,000	6,899,979	3.86	1,787,559
All Other	3,365,707	2.159	1,558,919
Total	117,134,575	2.159	54,247,287

Year Ending 12/31/2004

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,463,553	1.00	1,463,553
750	29,285	1.33	22,019
1,000	37,712,449	1.60	23,570,281
2,000	40,953,515	2.34	17,501,502
3,000	109,838	2.79	39,368
5,000	25,148,958	3.38	7,440,520
10,000	6,544,758	3.86	1,695,533
All Other	3,287,617	2.164	1,519,232
Total	115,249,973	2.164	53,252,008

SECTION H
SUPPLEMENTAL MATERIAL

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUPPLEMENTAL MATERIAL

North Carolina G.S. 58-36-15(h) specifies that the following information must be included in all policy form, rule and rate filings filed under Article 12B. 11 NCAC 10.1104 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	H-1-371
2. Credibility factor development and application.	H-372-374
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	H-375-465
4. Trending factor development and application.	H-466-532
5. Changes in premium base resulting from rating exposure trends.	H-533-536
6. Limiting factor development and application.	H-537
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	H-538-542
8. Percent rate change.	H-543
9. Final proposed rates.	H-544
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	H-545-615
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	H-616-621
12. Investment earnings on capital and surplus.	H-622
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	H-623
14. Additional supplemental information (as per 11 NCAC 10.1104)	H-624-659

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

1. NORTH CAROLINA EARNED PREMIUMS AT THE ACTUAL AND CURRENT RATE LEVEL
- LOSSES AND LOSS ADJUSTMENT EXPENSES, EACH ON PAID AND INCURRED BASES
WITHOUT TRENDING OR OTHER MODIFICATION FOR THE EXPERIENCE PERIOD
- LOSS RATIOS ANTICIPATED AT THE TIME THE RATES WERE PROMULGATED FOR THE
EXPERIENCE PERIOD
- (1) Earned premiums at collected and current levels. H-3-4
 - (1) Paid/incurred losses and loss adjustment expense. H-5
 - (1) Anticipated loss ratios. H-6
 - (a) Companies excluded - rate level, trend, loss development, investment income and expenses. H-7
 - (b) Increased limits factors and deductible credits. H-8
 - (c) Adjustments to premium, losses, loss adjustment expenses and exposures. H-9
 - (d) Calculation of earned premium at present rates. H-10
 - (e) Written and earned premiums and market shares for the ten largest writers. H-11
 - (f) Composite loss and premium information from each of the latest two annual statements for the 50 largest writers.
 - Part 2, lines 19 and 21
 - Part 3, lines 19 and 21
 - Page 15, lines 19.1, 19.2 and 21.1 H-12-20
 - (g) Deviations. H-21-303
 - (h) Dividends. H-304-305
 - (i) Loss and loss adjustment expenses. H-306-309
 - (j) Excess losses (Comprehensive) H-310
 - (k) Territory data. H-311-371

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
EARNED PREMIUM

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	\$890,780,797	\$916,042,073	\$955,215,419
Property Damage	886,032,611	909,714,426	935,446,018
Medical Payments	116,870,870	118,458,720	122,163,766
Uninsured Motorists	99,094,937	103,721,318	105,989,118
Underinsured Motorists	59,253,461	61,115,924	64,938,507
Comprehensive	452,757,414	495,213,415	523,436,213
Collision	979,320,237	1,069,112,160	1,100,243,286

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	\$992,624,022	1,020,545,981	\$1,040,993,264
Property Damage	903,009,184	928,848,709	948,151,245
Medical Payments	145,253,380	147,208,550	149,912,585
Uninsured Motorists	100,624,428	103,721,318	105,989,118
Underinsured Motorists	75,414,867	77,735,848	79,435,482
Comprehensive	431,633,281	440,350,185	452,376,856
Collision	902,682,493	921,855,037	954,177,755

- (a) Liability premiums are at 30/60 level for Bodily Injury, \$25,000 for Property Damage, Total Limits for Medical Payments and Underinsured Motorists, and 30/60/25 for Uninsured Motorists. For Comprehensive premiums, Full Coverage, \$50, \$100, \$250, \$500 and \$1,000 Deductibles are included. For Collision, \$50, \$100, \$200, \$250, \$500 and \$1,000 Deductibles are included. Premiums at current level are earned premiums at present voluntary manual rates. Premiums at collected level are the earned premiums at present voluntary manual rates adjusted to a collected level. The collected level factors are as follows:

	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
BI	0.8974	0.8976	0.9176
PD	0.9812	0.9794	0.9866
MP	0.8046	0.8047	0.8149
UM	0.9848	1.0000	1.0000
UIM	0.7857	0.7862	0.8175
Comp	1.0489	1.1246	1.1571
Coll	1.0849	1.1597	1.1531

Physical Damage premiums are untrended.

Liability, Uninsured Motorists, and Underinsured Motorists data is Voluntary and Ceded combined. Physical Damage data is Voluntary and Consent to Rate combined.

NORTH CAROLINA
MOTORCYCLE INSURANCE

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Year</u>	<u>Liability (b)</u>
12/31/2004	23,453,046
12/31/2005	26,245,060
12/31/2006	25,349,453

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Year</u>	<u>Liability (b)</u>
12/31/2004	21,778,264
12/31/2005	24,569,977
12/31/2006	24,908,420

(a) Earned premium at collected level are the earned premiums shown on page H-542. Earned premium at current level are the earned premium at collected level adjusted to a current level. The factors to convert to a current level are:

	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Liability	0.9286	0.9362	0.9826

(b) Voluntary and ceded business combined.

NORTH CAROLINA
VOLUNTARY AND CEDED
PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

<u>Year</u>	<u>Paid Losses (a)</u>	<u>Incurred Losses (a)</u>
Bodily Injury		
12/31/2004	\$633,293,280	\$722,985,442
12/31/2005	515,260,290	689,035,828
12/31/2006	293,454,962	651,727,086
Property Damage		
12/31/2004	\$560,420,413	\$561,230,401
12/31/2005	568,418,800	570,575,078
12/31/2006	572,247,888	586,379,013
Medical Payments		
12/31/2004	\$89,498,041	\$90,237,612
12/31/2005	86,263,443	88,265,646
12/31/2006	76,128,360	90,307,580

(a) Paid and incurred losses are undeveloped and on a total limits basis, and do not include unallocated loss adjustment expense. These expenses are reflected via a factor. For Bodily Injury and Medical Payments these factors are 11.3%, 12.8%, and 12.7% for year ended 12/31/2004, 12/31/2005 and 12/31/2006 respectively. For Property Damage, these factors for each year are 12.6%, 12.2%, and 11.1% respectively. See page H-539.

NORTH CAROLINA

ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	.569	.601	.650
Property Damage	.607	.615	.665
Medical Payments	.611	.679	.715
Uninsured Motorists (a)	.644	.644	.642
Underinsured Motorists (a)	1.093	.993	.928
Comprehensive	.630	.638	.670
Collision	.642	.654	.682

MOTORCYCLES

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Liability (a)	.565	.559	.612

(a) Voluntary and ceded business combined.

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

EXCLUDED COMPANIES

(The marketshare for each company mentioned, based on the total 2006 page 15 private passenger automobile written premium unless otherwise indicated, is found in parentheses after the company name.)

Universal Insurance Co. (0.79%) has been excluded from loss development for all years. Their data were inaccurately reported to their statistical agent.

ISO Minimum Plan companies have been excluded from trend and loss development. Data reported under this plan is not available in sufficient detail to allow its inclusion. The companies which reported data under this plan for 2004-2006 are St. Paul Fire and Marine Insurance Co. (0.00%), St. Paul Mercury Insurance Co. (0.00%), St. Paul Guardian Insurance Co. (0.00%), American Southern Insurance Co. (0.07%), Builders Mutual Insurance Company (0.01%), Church Mutual Insurance Company (0.00%), Merastar Insurance Co. (0.03%), and Yasuda Fire and Marine insurance Co. (0.00%).

Ohio Casualty Insurance Co. (0.16%) has been excluded from the loss development split between voluntary and ceded business for the 1993, 1994, and 1995 accident years. They did not properly distinguish between voluntary and ceded business in their reporting of the 1993, 1994, and 1995 accident years.

Great American Insurance Co. (0.00%), American Alliance Insurance Co. (0.00%), American Spirit Insurance Co. (0.00%), Eagle American Insurance Co. (0.00%), American National Fire Insurance Co. (0.00%), Worldwide Insurance Company (0.0%), and Agricultural Insurance Co. (0.00%) have been excluded from loss development for 2000 and prior. Their data were inaccurately reported to their statistical agent, and corrected data were not provided.

Southern Insurance Company of Virginia (0.09%), companies from Royal Insurance Group (0.00%), and companies from Allmerica Financial Group (0.06%), and have been excluded from all Physical Damage rate levels. Their data were inaccurately reported to their statistical agent, and corrected data have not been provided.

Electric Insurance Company (0.07%) has been excluded from all liability rate levels. Their data were inaccurately reported to their statistical agent.

Cincinnati Insurance Co. (0.08%), Insurance Corporation of Hannover (0.00%), Harbor Specialty Insurance Company (0.0%), Safeco Insurance Co. (0.00%), Safeco Insurance Company of America (0.06%), First National Insurance Company of America (0.09%), Auto Owners Insurance Co. (0.58%), Owners Insurance Co. (0.22%), and Mutual Service Casualty Insurance Co. (0.00%) have been deleted for all rate levels. Their data were inaccurately reported to their statistical agents.

The increased limits review is contained in Section G.
See also prefiled testimony of P. Woods and M. Miller.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
ADJUSTMENTS TO PREMIUMS AND LOSSES

Physical Damage required base class premiums per exposure were adjusted to reflect the effects of model year trend and "symbol drift". The factors used and their application are shown and described on pages C-7 and C-8.

The liability losses were adjusted by loss development factors to place them on an ultimate settlement basis. The factors used and their application are shown on pages C-1, C-3, and C-5.

The Physical Damage losses have been adjusted by a paid-to-incurred factor based on the data contained in Page 15 of the Annual Statement. The factors used and their application are shown on pages C-7, C-9, and C-11.

In addition, the Comprehensive losses have been adjusted to incorporate a long-term excess wind and water factor of 1.062 and to exclude excess wind and water losses in the year in which they occur. The development of the Comprehensive losses is shown on RB-8.

PREMIUM AT PRESENT MANUAL RATES CALCULATION

The liability earned premium at manual rates by coverage is calculated by the following formula within each class, by territory.

EPMR = Exposures by Class x Territory Base Rate x [Class Rating Factor + Safe Driver Insurance Plan Factor] x Average Airbag Discount* x Average Increased Limits Factor*

*For Medical Payments only

These EPMR's are then summed over all classes and territories to generate the statewide earned premium at manual rates shown on page H-3.

The physical damage earned premium at manual rates by coverage is calculated by the following formula within each class, by territory:

EPMR = Exposures by Class x Territory Base Rate x [Class Rating Factor + Safe Driver Insurance Plan Factor] x Territory Average Model Year and Symbol Factor

The EPMR's are then summed over all classes and territories to generate the statewide earned premium at manual rates which is shown on pages H-3. To account for model year trend, the EPMR's are adjusted by a factor of 1.114 for Comprehensive and 1.133 for Collision (see page H-534). To account for "symbol drift", the EPMR's are adjusted by a factor of 1.031 for Comprehensive and 1.000 for Collision (see pages C-8 and H-535-536). The result is trended premium at manual rates.

A hypothetical sample calculation of the earned premium at manual rates for a single class and territory combination is shown below for Bodily Injury and Full Coverage Comprehensive in Territory 11 for Work less than 10 miles and one SDIP point (Class 116101)

Bodily Injury

(1) Earned exposures	50
(2) Bodily Injury territory 11 base rate	136
(3) Class rating factor	1.050
(4) SDIP factor	0.250
(5) Combined rating factor (3)+(4)	1.300
(6) Premium at manual rates (1)x(2)x(5)	\$8,840

Full Coverage Comprehensive

(1) Earned exposures	11
(2) Full coverage Comprehensive territory 11 base rate	38
(3) Class rating factor	1.200
(4) SDIP factor	0.250
(5) Combined rating factor (3)+(4)	1.450
(6) Full coverage Comprehensive, territory 11 average model year and symbol factor	1.895
(7) Premium at manual rates (1)x(2)x(5)x(6)	\$1,149

EXHIBIT (1) (e)

TOP TEN AUTOMOBILE INSURANCE WRITERS

<u>COMPANY NAME</u>	<u>2006(a) WRITTEN PREMIUM</u>	<u>2006 WRITTEN PREMIUM MARKET SHARE</u>	<u>2006 (a) EARNED PREMIUM</u>	<u>2006 EARNED PREMIUM MARKET SHARE</u>
STATE FARM MUTUAL AUTO INS CO	554,428,316	13.17%	553,202,775	13.19%
NATIONWIDE MUTUAL INS CO	486,761,059	11.56%	502,892,964	11.99%
N C FARM BUREAU MUTUAL INS CO	367,170,285	8.72%	370,328,514	8.83%
INTEGON NATIONAL INS CO	327,497,067	7.78%	315,718,320	7.53%
ALLSTATE INDEMNITY COMPANY	267,054,563	6.34%	260,004,393	6.20%
ALLSTATE INSURANCE COMPANY	207,889,698	4.94%	213,148,267	5.08%
GOVERNMENT EMPLOYEES INS CO	171,359,965	4.07%	163,627,225	3.90%
NATIONWIDE PROP & CAS INS CO	168,873,076	4.01%	148,302,762	3.54%
NATIONWIDE MUTUAL FIRE INS CO	151,636,941	3.60%	167,044,810	3.98%
UNITED SERVICES AUTOMOBILE ASSOC	105,359,181	2.50%	105,457,555	2.52%
TOTAL	\$ 2,808,030,151	66.68%	\$ 2,799,727,585	66.78%
Grand Total	\$ 4,211,030,975		\$ 4,192,524,523	

(a) Per the 2006 Annual Statement, Statutory Page 14.

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,424,970	645,890	701,353	1,369,507
2 Allied lines	825,591	372,880	418,637	779,834
3 Farmowners	313,069	142,218	151,268	304,019
4 Homeowners	18,117,650	9,258,329	9,787,015	17,588,963
5 Comm multi peril	7,975,636	3,631,628	3,794,895	7,812,370
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	283,717	122,546	128,550	277,713
9 Inland marine	1,659,875	687,329	746,266	1,600,937
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	93,500	32,981	37,078	89,403
12 Earthquake	202,271	90,036	100,824	191,483
13 Group A & H	1,123,760	36,729	52,598	1,107,892
14 Credit A & H	8,173	13,153	15,983	5,342
15 Other A & H	1,257,202	734,299	908,931	1,082,570
16 Worker's comp	9,317,421	2,340,542	2,512,604	9,145,359
17 Other liability	6,863,618	3,786,198	3,752,611	6,897,206
18 Products liability	491,212	166,059	190,610	466,661
19 Auto liability	56,543,427	16,830,194	17,094,025	56,279,596
21 Auto phys. damage	37,166,164	10,808,547	11,002,675	36,972,036
22 Aircraft	294,125	86,783	97,809	283,100
23 Liability	162,814	90,862	89,816	163,860
24 Surety	456,646	227,814	269,453	415,008
26 Burglary + theft	16,716	9,183	9,395	16,504
27 Boiler and machinery	95,549	43,604	44,646	94,507
28 Credit	7,724	5,944	5,675	7,993
29 International	39,874	20,240	20,017	40,097
30 Reinsurance	1,006,184	29,132	19,687	1,015,629
31 Miscellaneous	45,752	93,769	83,445	56,076
32 TOTALS	145,792,640	50,307,029	52,036,005	144,063,665

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,305,632	574,843	631,927	1,248,548
2 Allied lines	759,017	337,173	380,630	715,560
3 Farmowners	317,963	144,433	153,611	308,785
4 Homeowners	17,317,837	8,834,843	9,342,035	16,810,646
5 Comm multi peril	6,066,901	2,744,172	2,878,159	5,932,913
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	278,526	122,764	128,754	272,536
9 Inland marine	1,381,487	570,781	622,533	1,329,735
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	47,762	11,548	15,705	43,606
12 Earthquake	188,196	83,791	93,880	178,107
13 Group A & H	1,123,764	36,729	52,596	1,107,897
14 Credit A & H	8,173	13,153	15,983	5,342
15 Other A & H	1,257,109	734,435	909,050	1,082,494
16 Worker's comp	7,430,473	1,758,946	1,896,598	7,292,821
17 Other liability	5,802,472	3,255,449	3,214,147	5,843,774
18 Products liability	385,976	133,088	146,149	372,915
19 Auto liability	54,507,180	15,802,603	16,060,108	54,249,675
21 Auto phys. damage	36,218,145	10,302,242	10,497,685	36,022,702
22 Aircraft	290,835	83,687	96,147	278,375
23 liability	125,826	64,557	63,195	127,187
24 Society	273,020	143,113	161,559	254,573
26 Burglary + theft	11,402	6,731	6,327	11,806
27 Boiler and machinery	87,424	39,009	39,938	86,495
28 Credit	7,735	5,961	5,683	8,013
29 International	39,623	20,268	20,042	39,849
30 Reinsurance	994,509	27,966	18,719	1,003,756
31 Miscellaneous	45,752	93,769	83,445	56,076
32 TOTALS	136,272,738	45,946,193	47,534,746	134,684,185

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,190,599	560,647	608,252	1,142,994
2 Allied lines	720,569	322,566	359,176	683,958
3 Farmowners	349,354	158,933	169,719	338,568
4 Homeowners	17,258,845	8,805,795	9,287,675	16,776,965
5 Comm multi peril	5,642,477	2,560,779	2,676,504	5,526,751
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	180,146	99,375	98,320	181,201
9 Inland marine	1,527,518	579,892	604,274	1,503,136
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	12,993	2,993	3,416	12,570
12 Earthquake	179,804	81,461	86,748	174,518
13 Group A & H	723,157	250	375	723,032
14 Credit A & H	82,178	33,247	33,476	81,948
15 Other A & H	761,377	467,980	559,347	670,010
16 Worker's comp	4,919,170	727,875	835,214	4,811,831
17 Other liability	3,274,208	1,343,625	1,475,540	3,142,293
18 Products liability	336,702	119,682	132,130	324,254
19 Auto liability	53,502,821	15,111,061	15,302,394	53,311,489
21 Auto phys. damage	36,140,831	10,386,610	10,469,374	36,058,067
22 Aircraft	48,662	11,137	16,593	43,206
23 Liability	33,223	19,815	21,043	31,994
24 Surety	237,012	123,444	131,767	228,688
26 Burglary + theft	7,108	4,072	4,061	7,119
27 Boiler and machinery	52,280	24,930	25,729	51,481
28 Credit	14,663	10,262	14,378	10,547
29 International	40,115	20,163	19,990	40,288
30 Reinsurance	993,029	26,856	17,699	1,002,186
31 Miscellaneous	278,608	392,846	466,204	205,249
32 TOTALS	128,507,446	41,996,297	43,419,400	127,084,343

NORTH CAROLINA
 PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,216,878	571,286	620,988	1,167,177
2 Allied lines	744,226	331,629	369,696	706,159
3 Farmowners	354,577	161,250	172,196	343,632
4 Homeowners	17,378,641	8,863,064	9,351,083	16,890,623
5 Comm multi peril	5,797,699	2,629,406	2,748,862	5,678,243
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	194,603	104,521	103,752	195,371
9 Inland marine	1,567,354	597,673	623,757	1,541,271
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	13,086	3,074	3,490	12,669
12 Earthquake	183,213	83,023	88,529	177,707
13 Group A & H	723,160	250	374	723,037
14 Credit A & H	82,178	33,247	33,476	81,948
15 Other A & H	761,764	467,999	559,366	670,397
16 Worker's comp	5,034,515	760,778	876,740	4,918,553
17 Other liability	3,403,598	1,401,062	1,532,252	3,272,407
18 Products liability	342,769	122,638	134,742	330,665
19 Auto liability	53,626,792	15,162,584	15,359,895	53,429,480
21 Auto phys. damage	36,195,776	10,407,406	10,492,240	36,110,942
22 Aircraft	48,664	11,164	16,621	43,208
23 Liability	37,073	22,218	23,677	35,614
24 Surety	238,812	127,460	132,840	233,431
26 Burglary + theft	7,482	4,368	4,308	7,542
27 Boiler and machinery	61,021	28,791	29,701	60,110
28 Credit	14,684	10,282	14,388	10,578
29 International	39,731	20,245	20,030	39,946
30 Reinsurance	994,699	27,722	18,494	1,003,927
31 Miscellaneous	278,608	392,846	466,204	205,249
32 TOTALS	129,341,602	42,345,986	43,797,704	127,889,885

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATED ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses	Net Losses	Losses
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments	Unpaid Current Year	Unpaid Previous Year	Incurred Current Year
1 Fire	924,109	835,078	1,289,805	469,383	460,898	438,205	492,075
2 Allied lines	2,265,624	2,269,581	3,881,498	653,707	397,963	510,113	541,557
3 Farmowners	134,347	106,860	86,527	154,679	93,903	88,537	160,045
4 Homeowners	7,921,187	8,946,453	7,584,215	9,283,426	4,531,615	5,718,254	8,096,786
5 Comm multi peril	3,086,719	4,529,555	4,109,522	3,506,752	5,796,415	5,689,003	3,614,164
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	263,728	496,108	599,118	160,717	216,143	232,840	144,020
9 Inland marine	1,482,131	1,074,398	1,765,727	790,802	428,779	476,157	743,424
10 Financial guaranty	0	-45	0	-45	1,765	1,837	-117
11 Medical malpractice	28,227	366,280	246,569	147,938	427,871	501,234	74,576
12 Earthquake	2,265	5,381	3,407	4,240	8,695	20,068	-7,133
13 Group A & H	382,503	528,441	177,759	733,185	167,417	186,988	713,614
14 Credit A & H	2,981	0	38	2,943	3,817	3,761	2,999
15 Other A & H	595,409	51,440	62,863	583,986	543,042	530,784	596,244
16 Worker's comp	3,176,835	5,995,064	5,544,765	3,627,134	19,957,405	17,499,053	6,085,486
17 Other liability	2,377,230	4,844,652	4,439,593	2,782,289	14,106,685	13,079,255	3,809,718
18 Products liability	193,718	375,017	419,384	149,352	2,666,364	2,746,903	68,813
19 Auto liability	27,391,369	17,117,836	11,734,075	32,775,130	42,147,505	42,082,322	32,840,313
21 Auto phys. damage	17,184,934	9,591,060	6,135,012	20,640,982	1,963,439	2,100,448	20,503,974
22 Aircraft	166,738	233,372	303,083	97,026	286,744	272,938	110,833
23 Fidelity	33,467	96,885	69,576	60,776	192,540	141,370	111,946
24 Surety	76,723	213,725	211,971	78,477	355,719	320,892	113,304
26 Burglary + theft	1,847	2,343	2,172	2,018	6,328	9,672	-1,327
27 Boiler and machinery	20,623	76,236	70,961	25,899	48,450	45,150	29,199
28 Credit	8,415	1,877	3,660	6,632	4,237	4,940	5,929
29 International	14,920	48,391	24,499	38,812	149,639	164,430	24,021
30 Reinsurance	0	1,783,826	618,116	1,165,710	2,022,051	2,901,208	286,552
31 Miscellaneous	1,379	88,232	46,080	43,530	9,569	8,826	44,273
32 TOTALS	67,737,429	59,678,045	49,429,996	77,985,478	96,994,998	95,775,187	79,205,288

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments			
1 Fire	578,892	724,976	902,521	401,347	415,418	385,587	431,177
2 Allied lines	2,039,373	2,177,101	3,615,190	601,284	385,487	492,583	494,188
3 Farmowners	125,587	102,396	71,530	156,453	94,911	89,698	161,666
4 Homeowners	7,377,374	8,305,852	6,823,553	8,859,673	4,332,691	5,584,792	7,607,572
5 Comm multi peril	2,141,755	3,785,704	3,169,815	2,757,643	4,325,788	4,450,448	2,632,983
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	293,917	498,705	630,722	161,899	213,600	229,662	145,838
9 Inland marine	1,288,711	992,254	1,590,147	690,818	382,969	441,662	632,125
10 Financial guaranty	0	-45	0	-45	1,765	1,837	-117
11 Medical malpractice	11,239	374,758	246,327	139,670	363,976	442,036	61,610
12 Earthquake	2,274	5,292	3,380	4,186	8,453	21,034	-8,396
13 Group A & H	358,321	528,344	153,577	733,088	167,078	186,617	713,549
14 Credit A & H	2,981	0	38	2,943	3,817	3,761	2,999
15 Other A & H	595,299	51,554	62,757	584,096	542,458	529,572	596,982
16 Worker's comp	2,253,136	4,812,852	4,210,950	2,855,038	16,137,639	14,114,090	4,878,587
17 Other liability	1,857,640	4,474,155	3,798,001	2,533,794	11,948,921	11,168,742	3,313,974
18 Products liability	138,561	368,117	361,258	145,420	2,452,453	2,595,821	2,052
19 Auto liability	25,818,976	15,857,337	10,001,641	31,674,672	40,167,627	40,226,390	31,615,909
21 Auto phys. damage	16,511,640	9,020,385	5,349,310	20,182,715	1,940,884	2,095,963	20,027,636
22 Aircraft	124,820	210,761	243,108	92,472	282,062	261,229	113,305
23 Fidelity	21,008	96,046	63,665	53,389	170,452	125,086	98,755
24 Surety	40,268	215,880	193,030	63,118	317,544	290,872	89,790
26 Burglary + theft	1,142	2,423	1,830	1,735	5,506	6,191	1,050
27 Boiler and machinery	14,005	74,787	67,341	21,451	43,401	43,147	21,705
28 Credit	10,418	1,921	5,663	6,677	4,763	5,210	6,230
29 International	14,920	34,463	15,547	33,836	126,503	143,555	16,784
30 Reinsurance	0	1,476,502	411,155	1,065,346	1,707,472	2,502,915	269,904
31 Miscellaneous	1,379	88,234	46,080	43,532	9,569	9,094	44,007
32 TOTALS	61,623,635	54,280,754	42,038,138	73,866,251	86,553,207	86,447,595	73,971,863

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATED ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments			
1 Fire	394,246	565,197	557,907	401,535	324,625	292,036	434,125
2 Allied lines	1,718,552	1,703,434	2,975,307	446,679	188,622	263,180	372,121
3 Farmowners	146,408	105,278	77,009	174,677	104,691	99,147	180,220
4 Homeowners	6,957,982	8,246,746	6,375,042	8,829,686	4,288,544	5,527,259	7,590,971
5 Comm multi peril	1,847,779	3,608,915	2,855,090	2,601,604	3,983,367	4,092,604	2,492,367
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	40,333	259,520	211,699	88,154	113,256	121,023	80,387
9 Inland marine	793,217	813,958	884,887	722,288	265,237	298,407	689,118
10 Financial guaranty	0	-45	0	-45	24	36	-57
11 Medical malpractice	9,849	325,460	237,505	97,804	218,407	297,512	18,699
12 Earthquake	2,246	4,677	2,986	3,937	8,404	19,262	-6,921
13 Group A & H	275,925	368,870	55,972	588,822	59,824	101,205	547,441
14 Credit A & H	31,123	2,825	25,259	8,689	13,069	14,610	7,148
15 Other A & H	453,756	7,127	6,763	454,119	407,236	398,620	462,735
16 Worker's comp	1,330,776	3,740,421	3,214,635	1,856,562	11,854,580	10,499,963	3,211,179
17 Other liability	1,331,097	2,303,927	2,410,757	1,224,267	6,355,189	5,937,705	1,641,752
18 Products liability	109,754	322,784	314,841	117,696	2,229,933	2,330,178	17,451
19 Auto liability	25,174,480	14,849,654	8,895,323	31,128,811	39,350,798	39,401,543	31,078,067
21 Auto phys. damage	16,497,609	8,782,782	5,110,503	20,169,888	1,926,265	2,102,324	19,993,829
22 Aircraft	35,580	15,430	27,598	23,412	61,016	61,846	22,583
23 Fidelity	15,442	35,986	39,888	11,539	36,532	33,014	15,058
24 Surety	66,089	201,274	217,067	50,296	231,428	206,431	75,293
26 Burglary + theft	1,101	2,018	1,657	1,461	4,627	4,765	1,323
27 Boiler and machinery	8,257	37,578	36,675	9,161	15,358	25,084	-565
28 Credit	13,823	1,341	7,414	7,750	3,996	4,461	7,284
29 International	14,920	33,264	15,547	32,637	120,294	134,995	17,936
30 Reinsurance	0	1,465,739	403,040	1,062,699	1,638,104	2,444,710	256,093
31 Miscellaneous	155,709	99,551	124,018	131,242	23,175	22,569	131,848
32 TOTALS	57,426,051	47,903,708	35,084,390	70,245,369	73,826,601	74,734,489	69,337,481

NORTH CAROLINA
 PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
 AGGREGATED ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage				Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments			
1 Fire	397,658	577,198	563,006	411,849	339,053	303,304	447,598
2 Allied lines	2,326,596	1,725,747	3,590,422	461,921	202,178	286,857	377,242
3 Farmowners	146,440	107,191	77,041	176,590	106,072	100,826	181,836
4 Homeowners	7,372,123	8,297,058	6,791,189	8,877,993	4,317,289	5,567,984	7,627,298
5 Comm multi peril	1,844,179	3,677,435	2,851,490	2,670,124	4,133,501	4,260,863	2,542,762
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	79,614	265,987	250,980	94,621	120,629	129,467	85,783
9 Inland marine	797,131	827,159	888,792	735,498	281,533	316,138	700,892
10 Financial guaranty	0	-45	0	-45	24	36	-57
11 Medical malpractice	9,650	335,516	237,307	107,860	244,022	331,012	20,870
12 Earthquake	2,254	4,661	2,994	3,921	8,306	20,638	-8,411
13 Group A & H	275,925	368,870	55,972	588,822	59,824	101,205	547,441
14 Credit A & H	31,123	2,825	25,259	8,689	13,069	14,610	7,148
15 Other A & H	453,786	7,127	6,763	454,149	407,236	398,634	462,751
16 Worker's comp	1,364,207	3,788,861	3,245,381	1,907,688	12,313,075	10,934,255	3,286,508
17 Other liability	1,338,266	2,369,297	2,417,653	1,289,910	6,758,516	6,310,233	1,738,193
18 Products liability	110,551	330,657	315,638	125,570	2,310,360	2,436,635	-705
19 Auto liability	25,263,213	14,984,901	9,061,227	31,186,887	39,500,563	39,554,292	31,133,158
21 Auto phys. damage	16,540,174	8,865,173	5,211,098	20,194,249	1,932,757	2,107,975	20,019,030
22 Aircraft	35,584	15,467	27,602	23,450	62,363	63,150	22,662
23 Fidelity	15,550	37,724	39,996	13,278	40,630	36,973	16,934
24 Surety	65,630	207,647	216,608	56,669	251,850	231,697	76,823
26 Burglary + theft	942	2,074	1,501	1,514	5,098	5,170	1,443
27 Boiler and machinery	8,257	39,240	36,675	10,822	17,956	28,798	-21
28 Credit	15,831	1,394	9,422	7,803	4,623	5,123	7,303
29 International	14,920	34,199	15,547	33,572	125,136	141,671	17,037
30 Reinsurance	0	1,480,320	403,040	1,077,280	1,748,059	2,558,311	267,029
31 Miscellaneous	155,709	99,553	124,018	131,244	23,175	22,888	131,532
32 TOTALS	58,665,311	48,453,235	36,466,620	70,651,926	75,326,895	76,268,744	69,710,077

2006 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ 471,194	\$ 2,256,484,695	\$ 1,726,356,441
Earned Premium	220,091	2,195,982,663	1,757,385,877
Dividends	0	5,009,679	4,562,392
Unearned Prem Reserves	251,103	641,013,898	461,846,164
Losses Paid	78,890	1,492,943,162	939,136,077
Losses Incurred	191,872	1,623,398,256	942,281,934
Losses Unpaid	122,756	1,381,322,630	77,301,917
Alloc. Adj. Exp. Paid	615	35,298,441	3,599,665
Alloc Adj. Exp. Incurred	3,994	30,916,900	4,158,764
Alloc. Adj. Exp. Unpaid	3,095	124,697,542	3,918,584
Commissions	56,627	220,676,971	177,862,472
Taxes	37,163	47,032,541	35,186,893

2005 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ -15	\$ 2,155,032,359	\$ 1,763,768,932
Earned Premium	6,484	2,155,501,460	1,743,234,141
Dividends	0	4,728,903	4,012,405
Unearned Prem Reserves	-6	590,413,355	495,477,790
Losses Paid	1,570,047	1,433,248,688	863,216,406
Losses Incurred	1,985,923	1,491,465,361	856,346,408
Losses Unpaid	2,786,527	1,363,207,748	78,111,928
Alloc. Adj. Exp. Paid	365,052	33,400,750	1,837,603
Alloc Adj. Exp. Incurred	529,465	38,764,977	1,138,744
Alloc. Adj. Exp. Unpaid	608,069	134,298,324	3,444,562
Commissions	120,131	216,905,243	179,927,857
Taxes	-380,559	49,001,628	39,580,327

(a) Top 50 Writers

AUTOMOBILE

As of 12-15-03

AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Downward deviation for single-car & multi-car policyholders for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company.
- Costco Discount: 3% applies to policies for member insureds of Costco. Eff. 1-7-03

ACE Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

All America Insurance Company

- 10% private passenger auto liability & physical damage whenever Company carries both the homeowners (HO-2, HO-3, HO-3w/5 or HO-6) & auto coverages. Eff. 7-1-86

Allstate Indemnity Company

Preferred Program

- Territory Deviations: Applies to auto bodily injury, property damage, med pay, collision and comprehensive coverages: Credit varies.
- Tier Deviation: Certain criteria must be met.
- Years Licensed Deviation: Applies to auto bodily injury, property damage, comprehensive & collision coverages: Credit varies by coverage.
- Accident Rating Deviation: Years since last accident 0 - 3+: Factors vary 1.00 - 1.20.
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount: 15% credit when principal operator is 55 or less than 71 yrs. of age, 1% credit when 71 yrs. or older: Other criteria apply.
- New Car Discount: 0 - 2+ yrs.: Factors vary .95 - 1.00: Other criteria apply.
- The Good Hands People Discount: 10% credit applies to qualifying named insureds.
- Electronic Funds Transfer Deviation: \$1 installment fee.

Regular Auto Program

- 22.5% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for single car policies.
- 16.0% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for multi-car policies.
- Installment Pay Plan: \$1 per installment by Easy Payment Plan (EPP) Electronic Funds Transfer.
- Installment Pay Plan: Payroll deduction for Allstate Employees (NC); Installment charges waived.
- 10% discount on collision & comprehensive for member of an approved Allstate Corporation and its subsidiaries (The Good Hands People Discount). Eff 12-1-03

Allstate Insurance Company

- Advantage Discount Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage when operators meet Company's eligibility requirements for Allstate Advantage Discount for single car policies. Credit for multi-car policies.
- Preferred Driver Discount: non-fleet private passenger auto bodily injury, property damage & medical payment coverage where operators meet company eligibility requirements, credit varies.
- Preferred Driver Discount: non-fleet private passenger auto collision & comprehensive credit varies.
- Antilock Brake Discount - 1% non-fleet private passenger auto collision rates which is equipped with factory installed anti-lock braking system on all four wheels for 1983 models or later.
- The Good Hands People Discount 10% discount on collision & comprehensive for member of an approved group. Members are: Employees and retirees of qualifying participating employers or members of qualifying participating associations.
- 55 and Over Discount - If the principle operator is at least 55 years old but less than 71 years old, the discount percentage is 15%. If the principal operator is 71 years old or older, the discount percentage is 1%. Only reduce the premium on vehicles which are eligible for the discount as defined.
- Installment Payment Plan: \$1 charge per each installment when policyholder pays through electronic funds transfer. (Allstate Easy Payment Plan). No fee shall be required when the customer is an Allstate employee in North Carolina and the premium is paid under a payroll deduction plan. PC062387. Eff. 7-1-03

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided. Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates. Eff. 9-1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01
-

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

American & Foreign Insurance Company

- 5% Companion Policy Credit for automobile policy, for which on inception date there is in force a homeowners policy covering same insured in any member of Royal Insurance.

- Discount for eligible employees: 20% credit to total personal auto policy premium.
- Installment Payment Plan waiver.
- 5% Good Driver Discount applies to bodily injury, property damage, medical payment & collision coverage.
- 5% Experience Operator Credit applies to bodily injury, property damage, medical payments, collision & comprehensive coverage if principal operator is age 55 - 65 & no inexperienced operator.
- Passive Restraint Discount apply to medical payment rate. Credit varies 20% -40%.
- 5% Anti-Lock Braking System credit applies to bodily injury & property damage for vehicles equipped with factory installed 4 wheel anti-lock braking system.
- 5% Window Glass Etching Credit applies to comprehensive coverage.
- Anti-Theft Device Credit applies to comprehensive coverage: Credit varies 5% - 15%.
- 10% Company Car Credit applies to bodily injury, property damage, medical payment, comprehensive & collision for single car policies when company car is in the household.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer. Eff. 9-21-98

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st Installment fee waived for all multiple payment modes. Eff. 12-20-02

American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only device.
- Discount on comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-lock brake discount.
- Various deviations on on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit.
- Installment Payments Eff. 10-01-03

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies. Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied. Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount. Eff. 9-15-03

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

American States Preferred Insurance Company

- Preferred Driver Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments & collision when all principal operators have no accidents (at-fault or not-at-fault) or violation during the previous 3 yrs. Deviation applicable new policies only & will continue for 3 yrs. unless removed due to a chargeable accident.
- Accident Free Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments & collision when principal operator has been written with any of the American States Insurance Companies for a period of 3 or more yrs. & has had no chargeable accidents during the 3 yr. period. 15% non-fleet private passenger auto bodily injury, property damage, medical payments & collision when the principal operator has been written with any of the American States Insurance Companies for 6 or more yrs. & has no chargeable accidents during the 6 yr. period.
- 35% non-fleet private passenger auto physical damage for risks without driving points.
- Deviation by territory: Non-fleet private passenger bodily injury. Credits vary 3%-10%.
- Deviation by territory: 5% non-fleet private passenger auto property damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is age 55 & over with no inexperienced operator in the household.
- Passive Restraint Discount: 10% - 40% non-fleet private passenger auto med payments based on type of system.

Eff. 12-19-95

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
Eff. 10-1-03 PC062256

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates. Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies. Eff. 4-1-00

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees. Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
 - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts. Eff. 7-1-94

Motorcycle

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage. Eff. 7-1-91

Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages for all listed components. 6

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
 - 45% for multi car policies with 12-20 SDIP pts. Eff. 11-1-95

Auto Owners Insurance Company

Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi-Car Discount: 2% non-fleet private passenger auto comprehensive & collision coverage: Certain criteria apply.
- Physical Damage Rate Deviation non-fleet private passenger auto: 5% comprehensive: 5% collision, applicants must have at least 14 yrs. driving experience.
- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision for Life/Auto policy.

Standard Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 yrs. of age or older: Credit varies.
- Multi-Car Discount: 9% non-fleet private passenger auto comprehensive & collision coverage: Certain criteria apply.
- 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision for Life/Auto policy. Eff. 7-1-03

Automobile Insurance Company of Hartford

- 5% Anti-Lock Brake (ABS): Non-fleet private passenger auto Single Limits Liability (liability & medical payment) or Split Liability (bodily injury, property damage & medical payments).
- 5% or 10% Anti-Theft Device Discount depending on how vehicle is equipped. Applies to non-fleet private passenger auto comprehensive coverage.
- 15% Loss & Conviction Free Renewal Credit for single & multi-car policies. Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage & medical payment; 5% collision; 10% comprehensive.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments.
- 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision. Credit applies multi-car policies that are loss & conviction free.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision when coverage issued for homeowners (Forms 2, 3 & 6) in any of Aetna Life & Casualty Affiliated Companies. Credit applies to comprehensive & collision coverage for facility policies. Eff. 3-29-96

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

Builders Mutual Insurance Company

- 5% deviation on bodily injury, property damage, medical payments, comprehensive, & collision, if primary driver has at least 30 yrs. driving experience.
- Rating plan factor reduced by .05 for comprehensive & collision if the risk qualifies for multi car discount & has no inexperienced operator.
- Rating plan factor reduction by .05 for bodily injury, property damage, medical payments, comprehensive & collision, if the risk is classified as having 0 SDIP pts.
- 5% deviation on bodily injury & property damage, if the vehicle is equipped with anti-lock brakes.
- 5% deviation for comprehensive only, if vehicle is equipped with an active anti-theft device: 10% deviation, if vehicle is equipped with a passive anti-theft device. Eff. 10-1-99

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates. Eff. 5-28-87

Central Mutual Insurance Company

- 0% -10% non-fleet private passenger auto premium for liability coverage, except uninsured or underinsured motorist coverage when the Company carries both the homeowner & auto coverages. 0% - 20% credit physical damage coverage.
- 5% private passenger auto bodily injury & property damage liability coverage for autos equipped with factory installed four wheel anti-lock braking system (ABS).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators age 55 or over or has 34-38 yrs. of driving experience with 0 SDIP pts. and no inexperienced operators in household.
- 1%-5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators age 70-74 with 0 SDIP pts., no inexperienced operators in household.
- 5% non-fleet private passenger auto comprehensive for vehicles equipped with alarm only or active anti-theft disabling device. 15% comprehensive for vehicles equipped with passive anti-theft disabling device.
- Deviation for "First Accident Forgiveness" program. Credit varies 25%-65% when criteria is met.
- Installment Payment Plan: No charge for Electronic Fund Transfer.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Deviation for non-fleet private passenger auto: 30% bodily injury, property damage & medical payments; 25% collision; 15% comprehensive.
- 20% deviation for auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met regarding insured & vehicle. Eff. 7-1-01

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates. Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Pricing Factors Deviation: Applies to private passenger auto: 15% for liability coverages: 15% for property damage coverages.

- 9% Account Discount Deviation applies to all Insureds who have both an auto & homeowners policy with Travelers.
- Contributing Vehicle Credit: 35% credit private passenger autos, pickups, vans and classic autos for bodily injury, property damage, medical payments coverage for single car policy & have more than one private passenger auto Insured with The Travelers.
- Contributing Vehicle Credit: 30% credit private passenger autos, pickups, vans and classic autos for collision coverages for Insured who have a single car policy & have more than one private passenger auto Insured with The Travelers.
- Contributing Vehicle Credit: 10% credit priv pass autos, pickups, vans and classic autos for Comprehensive, Fire/Fire and theft/fire, theft, CAC coverages for insured who have a single car policy and have more than one private passenger auto Insured with The Travelers.
- 3% Renewal Credit applies to private passenger auto rates if Insured has maintained an auto policy with Travelers for the last 6 or more consecutive years. Eff. 7-1-03 PC062965

The Cincinnati Insurance Company

- 0% non-fleet private passenger auto liability rate deviation.
- 40% non-fleet private passenger auto physical damage rate deviation.
- 10% non-fleet private passenger liability & physical damage rate deviation, if policyholder has package policy with Cincinnati Insurance Company.
- Installment Payment Plan charge waived for personal autos & autos written in conjunction with a homeowner policy. Eff. 7-1-03

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if Insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%. Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories. Eff. 8-1-00

Consolidated American Insurance Company

- 10% non-fleet private passenger comprehensive & 15% collision rates. Deviation applies multi-car risk, all classes except farm use classes. No inexperienced operators in household & 0 SDIP pts. applicable. Eff. 12-1-92

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.

- Companion Policy Discount: 10% credit applies if named Insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount. Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met. Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when Insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag; 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices; 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation. Eff. 6-01-01

Electric Insurance Company

- Preferred Rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Super Preferred rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision if principal operator of vehicle is 55 yrs or older. Vehicle with inexperience operator surcharge is not eligible.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision for risks that meet Elfun Society Membership.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Accident and Violation Free Discount: Credit varies 5% - 15% when criteria is met.
- 5% Mass Marketing Discount.
- Installment Payment through electronic funds transfer Eff. 07-15-02

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer. Eff. 5-25-97

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal

- operators are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 or newer model vehicles with factory-installed anti-lock brake systems on all four wheels.
- 5% non-fleet private passenger comprehensive for all vehicles with etching a vin or serial number or active anti-theft devices.
- 10% non-fleet private passenger comprehensive for all vehicles with alarm or passive anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs. Deviation 1 pt. - 15%, 2 pts. - 40%, 3 pts. - 65%.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Non-fleet private passenger auto base rate deviation for bodily injury, property damage, medical payments, comprehensive & collision coverage by territory. Credit varies.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage when Insured has both comprehensive & collision.
- Pro rata cancellation for all policies.
- Multi-Policy Discount: 10% credit when Homeowner or Mobile homeowner policy is written with The Erie and named Insured must be same on all policies.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 1-1-04
- PC066417

Erie Insurance Exchange

- Base Rate Deviation by territory for bodily injury, property damage, medical payments, comprehensive & collision territory. Credit varies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by Insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device; 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge - Installment payments deviation.
- Comprehensive Deductible Factors Deviation: 5% deviation other than full coverage.
- Multi Policy Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 7-1-03

Farm Bureau Insurance of North Carolina Inc.

- 45% deviation for chargeable DWI surcharge applicable to bodily injury, property damage, medical payments, comprehensive & collision coverage. Eff. 12-1-96

Farmers Insurance Exchange

- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comprehensive, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision. Eff. 7-1-03

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits. Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies. Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary. Eff. 1-1-04
- PC063945

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary. Eff. 01-01-04
- PC064886

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge. Eff. 10-1-03 PC064658

Firemans Fund Insurance Company of Wisconsin

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured/underinsured motorist, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal

operator age 55 and older with no inexperience operators.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator(s) have a minimum of 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage medical payments, comprehensive & collision for renewal discount where all operators have been written in the Fireman's Fund Direct program for at least 3 yrs. & are free of chargeable accidents & free of convictions. Eff. 11-24-97

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named Insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount. Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage. Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates. Eff. 12-7-87

First Liberty Insurance Corporation

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% when all operators are 55 or older, no inexperienced operators.
- 1% non-fleet private passenger auto bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 on first installment of installment plan.
- Multi Car Discount: 4% for collision only and 5% for Liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability and 18% applies to phys dam per vehicle when insured maintains an eligible Homeowners policy.
- Single liability limits deviation by territory, credit varies.
- Split liability limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation by territory, credit varies. Eff. 7-1-03 PC062604

First National Insurance Company of America

- 15% Deviation on bodily injury, property damage, and med pay coverages. 10% deviation on comprehensive & collision coverages.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision if policyholder has had auto insurance with any Safeco Company for 3 consecutive yrs.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for having a Safeco homeowners policy in force.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for certain specified 4 door vehicles.
- Additional 10% deviation on comprehensive & collision for mature drivers age 55 or older.
- Checkless Pay Plan: Waive \$3 installment charge.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for specified territories.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for owning & occupying a home or condominium.
- Additional 10% deviation on comprehensive & collision for drivers with a driving record sub-classification of 0 and free of violation incidences. Eff. 9-20-01

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 4-1-00

General Insurance Company of America

- 5% non-fleet private passenger auto bodily injury, property damage & med pay, comprehensive & collision rates.
- 10% non-fleet private passenger comprehensive & collision rates on policies where all drivers are age 55 or older. There are no inexperienced drivers on policy.
- Checkless Pay Plan: Waive \$3 installment charge.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision, if policyholder has been with any Safeco Company for 3 yrs. without lapse in coverage.
- 5% for multi-policy credit.
- 5% non-fleet private passenger auto BI, PD, medical payments, comprehensive & collision for certain specified vehicles.
- 5% non-fleet private passenger auto bodily injury coverage for territories 13, 14, 16, 18, 24, 31, 32, 51 & 52.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments, comprehensive & collision for insureds who own & occupy a home or condominium.
- 10% non-fleet private passenger auto comprehensive & collision for drivers with a driving record sub-class of 0 and free of violation incidences. Eff. 9-20-01

General - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43. Eff. 2-9-94

Globe Indemnity Company

- 5% Companion Policy Credit for automobile policy, for which on inception date there is in force, a homeowners policy covering same insured in any member of Royal Insurance.
- Discount for eligible employee: 20% credit to total personal auto policy premium.
- Installment Payment Plan waiver.
- 5% Good Driver Discount applies to bodily injury, property damage, medical payment & collision coverage.
- 5% Experience Operator Credit applies to bodily injury, property damage, medical payments, collision & comprehensive coverage if principal operator is age 55 or older & no inexperienced operator.
- Passive Restraint Discount: Credit varies.
- 5% Anti-Lock Braking System credit applies to bodily injury & property damage for vehicles equipped with factory installed 4 wheel anti-lock braking system.
- 5% Window Glass Etching Credit applies to comprehensive coverage.
- Anti-Theft Device Credit applies to comprehensive coverage. Credit varies 5% - 15%.
- 10% Company Car Credit applies to bodily injury, property damage, medical payment, comprehensive & collision for single car policies when company car is in the household.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Installment Payment Plan - Agency Payroll Deduction: Certain criteria apply.
- 10% Mass Marketing Discount: Applies to liability, med pay, comprehensive & collision: Certain criteria has to be met.
- Preferred Program Discount by territory. Eff. 9-1-00

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision by territory, credit varies.
- 10% non-fleet private passenger auto comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- 8% deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit: Non-fleet private passenger auto bodily injury, property damage, uninsured motorist, medical payments, personal injury, comprehensive & collision coverage. Certain criteria apply. Credit varies 10% - 20%.

- 5 Year Good Driving Discount: 8% non-fleet private passenger auto bodily injury, property damage, medical payment, collision & comprehensive: Certain criteria apply.
- Associate Discount: 8% credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies 7%-10%.
- 15% Ultra Preferred Tier (2) Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 9-1-03

Grain Dealers Mutual Insurance Company - Withdrawn 7-1-03

Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00

Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive &

- collision for drivers with 29-49 driving experience.
- **Company Car Credit:** 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- **Loss Free Renewal Credit:** Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- **Mass Marketing Credit:** 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- **Physical Damage Symbol Deviation:** Downward deviation for physical damage, comprehensive and collision coverages.
- **Miscellaneous Coverage Deviation** for vehicles that carry comprehensive & collision.
- **Full Pay Deviation:** Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- **Electronic Funds Transfer:** Installment fee \$1. Eff. 2-15-02

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- **Companion Policy Credit:** 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- **Company Car Credit:** 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- **Loss Free Renewal Credit:** Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- **Mass Marketing Credit:** 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- **Physical Damage Symbol Deviation:** Downward deviation for physical damage, comprehensive and collision coverages.
- **Miscellaneous Coverage Deviation** for vehicles that carry comprehensive & collision.
- **Full Pay Deviation:** Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- **Electronic Funds Transfer:** Installment fee \$1. Eff. 2-15-02

Great American Security Insurance Company

- **Renewal Homeowner Credits:** 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- **Multi-Car Credit:** 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- **Married Credit:** 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- **Mass Marketing Credit:** 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- **Territory Deviation:** 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11, 13, 15, 18, 51 or 52.
- **Occurrence Free Credit:** 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- **Companion Policy Credit:** 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- **Miscellaneous Coverage Deviation** for vehicles that carry comprehensive & collision.
- **Full Pay Deviation:** Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- **Electronic Funds Transfer:** Installment Fee \$1. Eff. 2-15-02

Great American Spirit Insurance Company

- **Renewal Homeowner Credit:** 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- **Miscellaneous Coverage Deviation** for vehicles that carry comprehensive & collision.
- **Full Pay Deviation:** Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- **Electronic Funds Transfer Deviation:** Installment Fee \$1. Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed

components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. 37% deviation for single car policies with 12-20 SDIP pts.
- f. 33% deviation for multi-car policies with 12-20 SDIP pts.

Physical Damage

- 21% deviation with 3 or more SDIP pts. Eff. 3-1-99

Motorcycle

- 15% deviation on bodily injury & property damage for all drivers with 15 yrs. or more driving experience.
- 9% deviation on private passenger motorcycle physical damage. Eff. 3-1-99

GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual. Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met. Eff. 4-1-02

The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment. Eff. 4-1-02q

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts. Eff 2-1-94

Harleysville Mutual Insurance Company

- StarPak Program Discount – Certain criteria, credits vary. Eff 7-1-03 PC062196

Harleysville Preferred Insurance Company

- Preferred Customer Discount applies when the insured meets qualifying rating and/or certain characteristics credit varies.
- StarPak Program Discount - Certain criteria, credits vary. Eff 7-1-03 PC062197

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.) Eff. 4-15-03

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% If Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met. Eff. 4-1-03

Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

Horace Mann Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - No Installment fee shall be charged.
Installment Payments - No charge on first installment for new business policies written on an install

Horace Mann Property & Casualty Insurance Company

- Deviation by territory Credit varies.
- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Deviation on BI and PD premium 9%; 8% deviation on comp and coll premium if insured is a member in good standing of a sponsoring education association and the policy is completely voluntary. No deviation will apply if the policy has comp & Phys Dam only.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - No Installment fee shall be charged.
- Installment Payments - No charge on first installment for new business policies written on an installment payment basis.
- Credit Rating Deviation: credit 5% if certain criteria is met.
- Eff. 9-20-03

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies. Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met. Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
 - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
 - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
 - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
 - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
 - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
 - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
 - Installment payment plans fees waived for GMAC insurance employees.
 - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Integon Indemnity Corporation

Non Preferred Program

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other llav dev is equal to or greater than 3%. Eff. 7-1-03

Integon National Insurance Company

Preferred Program

- 6% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on multi-car policies in the ultra-preferred underwriting tier where the policy has "0" SDIP points and married drivers with 14-43 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 10% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 7% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of prior limits of 100/300 or higher. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 20% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more of the following: a) prayer for judgement continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more at fault accident. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies where there is an operator with less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 10% factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. Applies to 1) GMAC mortgage customers 2) GMAC auto loan customer 3) GMAC auto lease customer 4) GM Credit card customer 5) GM Demand /Smart Note Customer 6) GM Employee/retiree or member of an approved employee group 7) Save our students member.
- 1.05 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 50/100. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 13% factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 250/500. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 3 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.05 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 25% applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with no proof of prior insurance. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.

- 30% factor applies on all non-fleet priv pass auto BI, PD, med pay, UM/UIM In the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 4% on all non-fleet priv pass auto Comp and Coll Insurance rates on multi car policies in the ultra preferred u/w tier where the policy has '0' SDIP points and married drivers with 14-43 years of driving experience. . Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 25% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 12% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- Installment payment plan fees waived for GMAC Insurance employees and affiliates of GMAC Insurance.
- 3% on all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on all policies eligible for voluntary liav under rthe company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- Eff 7-1-03

Non-Preferred Program

- 58% non fleet private passenger auto BI & PD liability for single car with 12-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 47% non fleet private passenger auto BI & PD liability for multi car with 12-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 5.7% non fleet private passenger auto physical damage for 5 or more SDIP pts. Non owner policies do not qualify.
- Installment Payment plan fees waived for GMAC Insurance employees – both programs.
- Eff. 7-1-03

Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor

- vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC Insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount. Eff. 9-1-00

Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
 - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience. Eff. 4-1-99

Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Anti-lock brake system - 1% non-fleet private passenger automobile bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 - 1st installment of installment plan.
- Multi Car Discount: 7% for collision coverage and deviate an additional 5% for liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation, credit varies. Eff. 7-1-03

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an

educator.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy). Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction.
- Eff. 7-1-03

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met. Eff. 11-2-00

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met. Eff. 7-1-03

Montgomery Mutual Insurance Company

- Deviation Withdrawn Eff. 10-15-02

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines. Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle. Eff. 6-7-95

National Alliance Insurance Company

- Deviation is withdrawn. Eff 10-16-02

National Grange Mutual Insurance Company

- Qualified Preferred Drivers: Non-fleet private passenger 10% on auto physical damage and 5% credit on liability and med pay applied to base premiums meeting preferred driver criteria.
- Combined Personal Protection Program: 15% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Mature Driver Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments collision & comprehensive when criteria is met.
- Anti-lock Braking System Discount: 5% non-fleet private passenger auto bodily injury, property damage & medical payments when certain criteria is met.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT. Eff. 1-15-03 PC055154

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor varies by driving record. Eff. 7-1-03

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation: 1/2% applies to medical payments only.
- Home and Car Deviation/Homeowner Deviation: Applies to auto bodily injury, property damage, comprehensive & collision: Credit varies depending on combination of deviation & territory.
- Multi-Car Rating Factor N.C. Rate Bureau shall apply when certain conditions are met.
- Miscellaneous Vehicle Deviation: 5% applies to bodily injury, property damage, comprehensive & collision.
- Preferred Driver Deviation 10% applies to BI, PD, Comprehensive and Collision coverages – if certain criteria is met.
- Combined deviation: BI, PD, COMP, COLL, AND MED PAY. Not applicable to motorcycles, antique or classic autos, or any vehicle not subject to the SDIP. Eff. 7-1-03

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older. Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC Insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bl/psd and collision) this dev will not apply if the aggregate of all other liab devs is equal to or greater than 3%. Eff. 7-1-03

New York Central Mutual Fire Insurance Company

- Withdrawn Eff 12-8-03

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage. Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

All deviation components applicable to bodily injury, property damage, medical payments and physical damage.

- 30% for multi car, with property coverage, all drivers with 29 - 49 yrs. driving experience.
- 12% for multi car, without property coverage, all drivers with 29 - 49 yrs. driving experience.
- 30% for single car, with property coverage, all drivers with 29 - 49 yrs. driving experience.
- 12% for single car, without property coverage, all drivers with 29 - 49 yrs. driving experience.
- 20% for multi car, with property coverage, on a driver with 11 - 29 or 49- 54 yrs. driving experience & no drivers with less than 11 or more than 54 yrs. driving experience or a driver with 29 - 49 yrs. driving experience & a drivers with less than 3 yrs. or more than 54 yrs. driving experience & no driver with 3 - 11 yrs. driving experience multi-car, with property.
- 8% for multi car, without property coverage, on a driver with 11 - 29 or 49- 54 yrs. driving experience & no drivers with less than 11 or more than 54 yrs. driving experience or a driver with 29 - 49 yrs. driving experience & a driver with less than 3 yrs. or more than 54 yrs. driving experience & no driver with 3 - 11 yrs. driving experience multi-car, without property.
- 20% for single car, with property coverage, on a driver with 11 - 29 or 49- 54 yrs. driving experience & no drivers with less than 11 or more than 54 yrs. driving experience or a driver with 29 - 49 yrs. driving experience & a driver with less than 3 yrs. or more than 54 yrs. driving experience & no driver with 3 - 11 yrs. driving experience single-car, with property.
- 8% for single car, without property coverage, on a driver with 11 - 29 or 49- 54 yrs. driving experience & no drivers with less than 11 or more than 54 yrs. driving experience or a driver with 29 - 49 yrs. driving experience & a driver with less than 3 yrs. or more than 54 yrs. driving experience & no driver with 3 - 11 yrs. driving experience single-car, without property.
- 6% for multi car, with property coverage, on a driver with 29 - 49 or 3- 11 yrs. driving experience or no drivers with 29 to 49 or 3 to 11 years driving experience and a driver with 11 - 29 or 49 - 54 years driving experience and a driver with less than 3 or more than 54 years driving experience, multi-car, with property or a driver with more than 54 years driving experience and no driver with 29 - 49 or 3 - 11 years driving experience, multi-car, with property.
- 6% for multi car, without property coverage, on a driver with 29 - 49 or 3- 11 yrs. driving experience or no drivers with 29 to 49 or 3 to 11 years driving experience and a driver with 11 - 29 or 49 - 54 years driving experience and a driver with less than 3 or more than 54 years driving experience, multi-car, with property or a driver with more than 54 years driving experience and no driver with 29 - 49 or 3 - 11 years driving experience, multi-car, without property.

- 8% deviation on a driver with 29 - 49 years of driving experience and a driver with 3 to 11 yrs driving experience, multi car, with property; or no driver with 29 to 49 or 3 to 11 years driving experience and a driver with 11 to 29 or 49 to 54 years driving experience and a driver with less than 3 or more than 54 years driving experience, single car, with property; or a driver with more than 54 years driving experience and no driver with 29 to 49 or 3 to 11 years driving experience, single car, with property.
- 4% for territories 13,14,43 and 51; 2% for territories 52. Eff 7-1-03

Northern Insurance Company of New York

- 10% non-fleet private auto bodily Injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily Injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no Inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily Injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name Insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily Injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust. Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply. Eff. 9-1-00

Omni Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Driving while under the influences of drugs.
 - Instructing while under the influence.
 - Aiding and abetting or felony using a motor vehicle.
- Deviation for single car, not all operators are married, 12-26 SDIP pts., least experienced operator has 5-60+ yrs. licensed driving experience. Credit varies 5%-52%.
 - Deviation for multi car, not all operators are married, 12-20 SDIP pts., least experienced operator has 5-59 yrs. licensed driving experience. Credit varies 5%-37%.
 - Deviation for single car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies

14%-46%.

- Deviation for multi car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies 14%-41%.
- Deviation for single car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.
- Deviation for multi car, not all operators, married, 17-26 SDIP pts., least experienced operator has 5-13 yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%-13%.
- Deviation for multi car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 5% deviation for single car, with 4-6 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 5% deviation for single car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% deviation for multi car, with 4-6 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 6% deviation for multi car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% non fleet private passenger auto bodily injury increase limit of 50/100.
- 5% non fleet private passenger auto bodily injury increase limit of 100/300.
- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other liability deviation that does not require the existence of prior insurance or homeownership.
- 5% if the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Prerium financed business does not qualify for the deviation.
- 7.5% deviation for policies obtained through one of the Hartford Financial Services Groups Affinity based marketing channels.
- 20% for policies with 7 or more SDIP pts., where driver with least licensed driving experience has 7+ yrs. of driver experience. Applies to qualifying policies regardless of prior auto insurance or homeownership.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger other than collision & collision.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. Driving while under the influences of drugs.
- f. Instructing while under the influence.
- g. Aiding and abetting or felony using a motor vehicle.

- Deviation for single car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5-9 or more yrs. of driver experience. Credit varies 5%-46%.
- 5% deviation for single car, unmarried driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- Deviation for single car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. or more of driver experience. Credit varies 14%-46%.
- 5% deviation for single car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 5%-18% deviation for multi car, unmarried driver with 12-16 SDIP pts. where driver with least licensed driving experience has 5-13 yrs. of driver experience..
- 5%-10% deviation for multi car, unmarried driver with 17-26 SDIP pts. where driver with least licensed driving experience has 5-13 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 5%-37% deviation for multi car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 14 or more yrs. of driver experience.
- 14%-41% deviation for multi car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience.
- 5% deviation for multi car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger other than collision & collision.

- 20% deviation with 7 or more SDIP pts. where driver with least of licensed driving experience has 7 or more yrs. of driver experience. Deviation applies to all qualifying policies regardless of the existence (or non existence) of prior auto insurance or homeownership.

- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other physical damage deviation that does not require the existence of prior insurance or homeownership.
- 5% if the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Premium financed business does not qualify for the deviation. Eff. 2-1-00
- Base rate deviation by territory: Factor varies 0.66 - 0.74.

OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01

OneBeacon Insurance Company

- 5% Account Credit is applicable to Personal Auto Policies where named insured has his/her Homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Bodily Injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes. Eff. 9-15-91

OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation. Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount: Varied credit of 5% - 15% if the operators are age 55 - 74 yrs. of age.
- Owners Discount: More than 14 yrs. driving experience: 2.5% BI, PD & MP; 2.5% Comprehensive; 2.5% Collision.
- Auto/Home Discount: Certain Criteria Apply: 10% BI, PD, MP, Comprehensive & Collision.
- Life/Auto Discount: Named insured must have a life insurance policy with Auto Owners in addition to auto policy: 5% BI, PD, MP, Comprehensive & Collision. Eff. 7-1-03

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations. Eff. 7-1-03

Peerless Insurance Company

- 7% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. All operators must have "0" SDIP pts.
- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. The policy must be a part of Personal Protector Program.
- 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision with principal operator age 55 or older. Eff. 10-15-02

Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical

payments & collision if vehicle is equipped with factory installed anti-lock brakes.

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments. Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit: 5% applied to final auto premium when homeowners is written through the same company & certain criteria is met.
- 5% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision if Pennsylvania National Mutual Casualty is unable to write homeowners due to exposure of windstorm or hail.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured motorist, comprehensive & collision when principal operator is age 55 or over & all drivers are licensed more than 3 yrs.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Program. Credit varies.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Advantage Program. Credit varies. Eff 01-01-04

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Multi-Policy: Credit varies 5%-10% when criteria is met.
- Installment Payments: \$1 charge for installment payments. Eff. 7-1-03

Phoenix Insurance Company

- 5% deviation for liability coverages and a 5% deviation for physical damage coverages will be applied to voluntary private passenger automobiles.
- 9% Account Discount applies when both voluntary non-fleet private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto, pickups, vans & classic auto's bodily injury, property damage, medical payments & collision for single car policy and have more than one private passenger auto insured with The Travelers. 30% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for collision coverage for single car policy and have more than one private passenger auto insured with The Travelers. 10% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for comprehensive, fire/theft and theft/theft, and cac coverages for those insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- 3% credit will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six or more consecutive years. Eff 7-1-03 PC 062966

Progressive American Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 1.05 factor applies to rates for risks garaged in territory 41. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.07 factor applies to rates for risks garaged in territory 47. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to rates for risks garaged in territory 51. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2% on rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership (excluding mobilehome). 3% on rates for risks with Bodily Injury Limits of 100/300. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 5% on rates for single car policies in the middle underwriting tier where the policy has 5 SDIP points
- 12% on rates for single car policies in the middle underwriting tier where the policy has 6 SDIP points.
- 9% on rates for risks with Bodily Injury Limits of 250/500. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 15% on rates for multi-car policies in the middle underwriting tier where the policy has 5 SDIP points. 19% on for multi-car policies in the middle underwriting tier where the policy has 6 SDIP points.
- 3% on rates for single car policies in the standard underwriting tier where the policy has 1 SDIP point
- 15% on rates for single car policies in the standard underwriting tier where the policy has 2 SDIP point.
- 11% on rates for single car policies in the standard underwriting tier where the policy has 3 SDIP points.
- 17% on rates for single car policies in the standard underwriting tier where the policy has 4 SDIP points.
- 26% on rates for single car policies in the standard underwriting tier where the policy has 5 SDIP points
- 29% on rates for single car policies in the standard underwriting tier where the policy has 6 SDIP points.
- 42% on rates for single car policies in the standard underwriting tier where the policy has 7 SDIP points.

- 6% on rates for multi-car policies in the standard underwriting tier where the policy has 2 SDIP points.
- 11% on rates for multi-car policies in the standard underwriting tier where the policy has 3 SDIP points.
- 2% on rates for multi-car policies in the standard underwriting tier where the policy has 4 SDIP points.
- 11% on rates for multi-car policies in the standard underwriting tier where the policy has 5 SDIP points.
- 14% on rates for multi-car policies in the standard underwriting tier where the policy has 6 SDIP points.
- 20% on rates for single car policies in the preferred underwriting tier where the policy has 0 SDIP points.
- 25% on rates for single car policies in the preferred underwriting tier where the policy has 1 SDIP point.
- 34% on rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points.
- 31% on rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points.
- 36% on rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points.
- 8% on rates for multi-car policies in the preferred underwriting tier where the policy has 0 SDIP points.
- 15% on rates for multi-car policies in the preferred underwriting tier where the policy has 1 SDIP point.
- 22% on rates for multi-car policies in the preferred underwriting tier where the policy has 2 SDIP points.
- 18% on rates for multi-car policies in the preferred underwriting tier where the policy has 3 SDIP points.
- 36% on rates for multi-car policies in the preferred underwriting tier where the policy has 4 SDIP points.
- 40% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points.
- 44% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point.
- 32% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points.
- 37% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point.

LIABILITY All deviation applies to non fleet private passenger auto bodily injury, property damage & medical payments that is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 60% on rates for single car policies in the non-standard underwriting tier where the policy has 12-17 SDIP points, with a 12 point violation.
- 27% on rates for single car policies in the non-standard underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation.
- 53% on rates for multi-car policies in the non-standard underwriting tier where the policy has 12-17 SDIP points, with a 12 point violation.
- 28% on rates for multi-car policies in the non-standard underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation.
- 64% on rates for single car policies in the middle underwriting tier where the policy has 12-17 SDIP points, with a 12 point violation.
- 34% on rates for single car policies in the middle underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation.
- 59% on rates for multi-car policies in the middle underwriting tier where the policy has 12-17 SDIP points, with a 12 point violation.
- 38% on rates for multi-car policies in the middle underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation.
- 76% on rates for single car policies in the standard underwriting tier where the policy has 12-14 SDIP points, with a 12 point violation.
- 70% on rates for single car policies in the standard underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation.
- 47% rates for single car policies in the standard underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation.
- 66% on rates for multi-car policies in the standard underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation.
- 65% on rates for multi-car policies in the standard underwriting tier, where the policy has 15-17 SDIP points, with a 12 point violation.
- 45% on rates for multi-car policies in the standard underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. . If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.19 factor applies to rates for risks garaged in territories 11, 18, and 43.
- 1.11 factor applies to rates for risks garaged in territories 13 and 40.
- 1.20 factor applies to rates for risks garaged in territories 14, 26, and 31.

- 1.24 factor applies to rates for risks garaged in territories 17 and 24.
- 1.08 factor applies to rates for policies with an average driver group of 16.
- 1.15 factor applies to rates for policies with an average driver group of 15.
- 1.23 factor applies to rates for policies with an average driver group of 14.
- 1.34 factor applies to rates for policies with an average driver group of 13.
- 1.40 factor applies to rates for policies with an average driver group of 12.
- 1.50 factor applies to rates for policies with an average driver group of 11.
- 1.56 factor applies to rates for policies with an average driver group of 10.
- 1.66 factor applies to rates for policies with an average driver group of 9.
- 1.76 factor applies to rates for policies with an average driver group of 8.
- 1.87 factor applies to rates for policies with an average driver group of 7.
- 1.98 factor applies to rates for policies with an average driver group of 6.
- 2.13 factor applies to rates for policies with an average driver group of 5.
- 2.29 factor applies to rates for policies with an average driver group of 4.
- 2.53 factor applies to rates for policies with an average driver group of 3.
- 2.80 factor applies to rates for policies with an average driver group of 2.
- 1.10 factor applies to rates for single car policies with one at-fault accident and more than zero SDIP points.
- 1.14 factor applies to rates for single car policies with two at-fault accidents and more than zero SDIP points.
- 1.23 factor applies to rates for single car policies with three or more at-fault accidents and more than zero SDIP points.
- 1.06 factor applies to rates for multi-car policies with one at-fault accident and more than zero SDIP points.
- 1.08 factor applies to rates for multi-car policies with two at-fault accidents and more than zero SDIP points.
- 1.12 factor applies to rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 4% on rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome).
- 5% on rates. This deviation applies only to risks who are members of qualified participating groups, associations or employees of qualified participating employers.
- 10% on rates. This deviation applies only to risks who are members of qualified participating groups or associations or employees of qualified participating employers.
- 2% on rates for multi-car policies in the non-standard, middle market, and standard underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome).
- 6% rates for single car policies in the non-standard underwriting tier where the policy has 7 SDIP points.
- 5% on rates for single car policies in the non-standard underwriting tier where the policy has 8 SDIP points.
- 8% on rates for single car policies in the non-standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #37.
- 15% on non-fleet private passenger auto bodily injury, property damage and
- medical payments rates for single car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #37, #38, or #39.
- 2% on rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome).
- 3% on rates for multi-car policies in the non-standard underwriting tier where the policy has 5 SDIP points.
- 15% on rates for multi-car policies in the non-standard underwriting tier where the policy has 7 SDIP points.
- 18% on rates for multi-car policies in the non-standard underwriting tier where the policy has 8 SDIP points.
- 2% on rates for multi-car policies in the non-standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #40.
- 12% on rates for multi-car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #40, #41, or #42.
- 18% on rates for single car policies in the middle underwriting tier where the policy has 7 SDIP points
- 16% on rates for single car policies in the middle underwriting tier where the policy has 8 SDIP points.
- 20% on rates for single car policies in the middle underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #43.
- 23% on rates for single car policies in the middle underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #43, #44, or #45.
- 8% on rates for multi-car policies in the preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome).
- 1% on rates for multi-car policies in the middle underwriting tier where the policy has 3 SDIP points.
- 12% on rates for multi-car policies in the middle underwriting tier where the policy has 7 SDIP points.
- 11% on rates for multi-car policies in the middle underwriting tier where the policy has 8 SDIP points.
- 18% on rates for multi-car policies in the middle underwriting tier where the policy has 9-12 SDIP points and risk is not eligible

for liability deviation #46.

- 23% on rates for multi-car policies in the middle underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #46, #47, or #48.
- 34% on rates for single car policies in the standard underwriting tier where the policy has 8 SDIP points.
- 37% on rates for single car policies in the standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #49.
- 39% on rates for single car policies in the standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #49, #50, or #51.
- 22% on rates for multi-car policies in the standard underwriting tier where the policy has 7 SDIP points.
- 23% rates for multi-car policies in the standard underwriting tier where the policy has 8 SDIP points
- 27% on rates for multi-car policies in the standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #52.
- 33% on rates for multi-car policies in the standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #52, #53, or #54.
- 43% rates for single car policies in the preferred underwriting tier where the policy has 5 SDIP points
- 45% on rates for single car policies in the preferred underwriting tier where the policy has 6 SDIP points
- 49% on rates for single car policies in the preferred underwriting tier where the policy has 7 SDIP points.
- 49% on rates for single car policies in the preferred underwriting tier where the policy has 8 SDIP points.
- 51% on rates for single car policies in the preferred underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #142.
- 53% on rates for single car policies in the preferred underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #142, #143, or #144.
- 29% on rates for multi-car policies in the preferred underwriting tier where the policy has 5 SDIP points.
- 32% on rates for multi-car policies in the preferred underwriting tier where the policy has 6 SDIP points.
- 38% on rates for multi-car policies in the preferred underwriting tier where the policy has 7 SDIP points.
- 39% on rates for multi-car policies in the preferred underwriting tier where the policy has 8 SDIP points.
- 42% on rates for multi-car policies in the preferred underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #145.
- 47% on rates for multi-car policies in the preferred underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #145, #146, or #147.
- 50% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 2 SDIP points.
- 48% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 3 SDIP points. 52% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 4 SDIP points.
- 57% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 5 SDIP points.
- 59% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 6 SDIP points.
- 62% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 7 SDIP points.
- 62% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 8 SDIP points. 63% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #148.
- 65% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #148, #149, or #150.
- 42% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 2 SDIP points.
- 39% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 3 SDIP points.
- 41% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 4 SDIP points.
- 46% rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 5 SDIP points
- 48% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 6 SDIP points
- 53% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 7 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 54% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 8 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 56% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #151.
- 67% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #151, #152, or #153.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines and is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

- 82% on rates for single car policies in the preferred underwriting tier where the policy has 12-14 SDIP points, with a 12 point violation.
- 77% on rates for single car policies in the preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation.
- 59% on for single car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation.
- 73% on for single car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation.
- 72% on rates for multi-car policies in the preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation.
- 57% on rates for multi-car policies in the preferred underwriting tier, where the policy has 18 -21 SDIP points, with a 12 point violation .
- 86% rates for single car policies in the ultra-preferred underwriting tier where the policy has 12-14 SDIP points, with a 12 point violation.
- 82% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation.
- 69% rates for single car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation.
- 80% on rates for multi-car policies in the ultra-preferred underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation.
- 78% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation.
- 67% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.18 factor applies to rates for risks garaged in territories 16 and 52.
- 1.22 factor applies to rates for risks garaged in territories 25.
- 1.19 factor applies to rates for single car policies with one or more at-fault accidents and zero SDIP points.
- 1.10 factor applies to rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
- 1.35 factor applies to rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
- 1.15 factor applies to rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.30 factor applies to rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
- 1.12 factor applies to rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.08 factor applies to rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.15 factor applies to rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
- 1.06 factor applies to rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.05 factor applies to rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.13 factor applies to rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.08 factor applies to rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.33 factor applies to rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.03 factor applies to rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.07 factor applies to rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.04 factor applies to rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per

company guidelines.

- 1.17 factor applies rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.09 factor applies to rates for policies with 2-3 SDIP points with one or more inexperienced operators.
- 1.28 factor applies to rates for policies with 4-5 SDIP points with one or more inexperienced operators.
- 1.34 factor applies to rates for policies with 6-11 SDIP points with one or more inexperienced operators.
- 1.94 factor applies to rates for policies with 12 or more SDIP points with one or more inexperienced operators.
- 1.16 factor applies to rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.29 factor applies to rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
- 1.50 factor applies to rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 3% on rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobilehome). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobilehome). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 1.16 factor applies to for risks garaged in territories 32. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.13 factor applies to rates for risks garaged in territory 33. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- The \$3 installment fee will be waived for policies purchased by employees
- from an approved employer group if premium is paid via payroll deduction.

PHYSICAL DAMAGE

All deviation applicable to non-fleet private passenger auto physical damage. Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

- 26% on rates for single car policies in the middle underwriting tier where the policy has 5 SDIP points.
- 28% on rates for single car policies in the middle underwriting tier where the policy has 6 SDIP points.
- 15% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 5 SDIP points.
- 21% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points.
- 26% on rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 5 SDIP points.
- 30% on rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 6 SDIP points.
- 30% on rates for single car policies in the standard underwriting tier where the policy has 2 SDIP points.
- 30% on rates for single car policies in the standard underwriting tier where the policy has 3 SDIP points.
- 31% on rates for single car policies in the standard underwriting tier where the policy has 4 SDIP points.
- 36% on rates for single car policies in the standard underwriting tier where the policy has 5 SDIP points.
- 40% on rates for single car policies in the standard underwriting tier where the policy has 6 SDIP points.
- 27% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 2 SDIP points.
- 20% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 3 SDIP points.
- 20% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 4 SDIP points.
- 26% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 5 SDIP points.
- 30% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points.

- 31% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 2 SDIP points.
- 26% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 3 SDIP points.
- 29% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points.
- 36% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 5 SDIP points.
- 39% on rates for single car policies in the preferred underwriting tier where the policy has 0 SDIP points.
- 41% on rates for single car policies in the preferred underwriting tier where the policy has 1 SDIP points.
- 50% on rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points.
- 48% on rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points.
- 53% on rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points.
- 53% on rates for single car policies in the preferred underwriting tier where the policy has 5 SDIP points.
- 34% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 0 SDIP points.
- 38% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 1 SDIP point.
- 44% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 2 SDIP points.
- 40% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 4 SDIP points.
- 44% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 5 SDIP points.
- 49% on rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points.
- 34% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 0 SDIP points.
- 38% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 1 SDIP points.
- 47% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 2 SDIP points.
- 46% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 3 SDIP points.
- 47% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points.
- 53% on rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 5 SDIP points.
- 59% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points.
- 56% on rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on more than one vehicle where the policy has 0 SDIP points.
- 56% on rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 0 SDIP points.
- 66% on rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points.
- 70% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 5 SDIP points.

Non-fleet private passenger auto physical damage that is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

- 61% on rates for single car policies in the non-standard underwriting tier, where the policy has 12-17 SDIP points, with a 12 point violation.
- 28% on rates for single car policies in the non-standard underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation.
- 50% on rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 26% on rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 50% on rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation.

- 38% on rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 71% on rates for single car policies in the middle underwriting tier market where the policy has 12-17 SDIP points, with a 12 point violation.
- 44% on rates for single car policies in the middle underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation.
- 61% on rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation.
- 43% on rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 66% on rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 51% on rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 74% on rates for single car policies in the standard underwriting tier, where the policy has 12-17 SDIP points, with a 12 point violation.
- 54% on rates for single car policies in the standard underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation.
- 64% on rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 48% on rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 70% on rates for multi-car policies in the standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 55% on rates for multi-car policies in the standard underwriting tiers, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.

All deviations applicable to non-fleet private passenger auto physical damage. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.52 factor applies to rates for risks garaged in territories 11, 41, 43.
- 1.52 factor applies to rates for risks garaged in territories 13.
- 1.06 factor applies to rates for policies with an average driver group of 16.
- 1.11 factor applies to rates for policies with an average driver group of 15.
- 1.18 factor applies to rates for policies with an average driver group of 14.
- 1.25 factor applies to rates for policies with an average driver group of 13.
- 1.31 factor applies to rates for policies with an average driver group of 12.
- 1.40 factor applies to rates for policies with an average driver group of 11.
- 1.48 factor applies to rates for policies with an average driver group of 10.
- 1.56 factor applies to rates for policies with an average driver group of 9.
- 1.64 factor applies to rates for policies with an average driver group of 8.
- 1.76 factor applies to rates for policies with an average driver group of 7.
- 1.84 factor applies to rates for policies with an average driver group of 6.
- 2.17 factor applies to rates for policies with an average driver group of 4.
- 2.62 factor applies to rates for policies with an average driver group of 3.
- 2.83 factor applies to rates for policies with an average driver group of 2.
- 1.10 factor applies to rates for single car policies with one at-fault accident and more than zero SDIP points.
- 1.14 factor applies to rates for single car policies with two at-fault accidents and more than zero SDIP points.
- 1.23 factor applies to rates for single car policies with three or more at-fault accidents and more than zero SDIP points.
- 1.06 factor applies to rates for multi-car policies with one at-fault accident and more than zero SDIP points.
- 1.08 factor applies to rates for multi-car policies with two at-fault accidents and more than zero SDIP points.
- 1.12 factor applies to rates for multi-car policies with three or more at-fault accident and more than zero SDIP points.

All deviation applicable to non-fleet private passenger auto physical damage. Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

- 5% on physical damage rates. This deviation applies only to risks who are members of qualified participating groups, associations or employees of qualified participating employers.
- 10% physical damage rates. This deviation applies only to risks who are members of qualified participating groups or associations or employees of qualified participating employers.
- 10% on rates for single car policies in the non-standard underwriting tier where the policy has 7 SDIP points.
- 14% on rates for single car policies in the non-standard underwriting tier where the policy has 8 SDIP points.

- 6% on rates for single car policies in the non-standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #47.
- 18% on rates for single car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #47, #48, or #49.
- 6% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on more than one vehicle where the policy has 7 SDIP points.
- 26% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on more than one vehicle where the policy has 8 SDIP points.

All deviation applicable to non-fleet private passenger auto physical damage. Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

- 14% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on more than one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #50, #51, or #52.
- 20% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 7 SDIP points.
- 21% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 8 SDIP points.
- 18% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #53.
- 27% on rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #53, #54, or #55.
- 36% on rates for single car policies in the middle underwriting tier where the policy has 7 SDIP points.
- 38% on rates for single car policies in the middle underwriting tier where the policy has 8 SDIP points.
- 33% on rates for single car policies in the middle underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #56.
- 39% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #56, #57, or #58.
- 26% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 7 SDIP points.
- 29% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 8 SDIP points.
- 23% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #59.
- 26% on rates for multi-car policies in the middle underwriting tier with collision coverage on more than one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #59, #60, or #61.
- 37% on rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 7 SDIP points.
- 38% on rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 8 SDIP points.
- 36% on rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #62.
- 37% rates for multi-car policies in the middle underwriting tier with collision coverage on one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #62, #63, or #64.
- 45% on rates for single car policies in the standard underwriting tier where the policy has 7 SDIP points.
- 46% on rates for single car policies in the standard underwriting tier where the policy has 8 SDIP points.
- 42% on rates for single car policies in the standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #65.
- 45% on rates for single car policies in the standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #65, #66, or #67.
- 34% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 7 SDIP points.
- 36% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 8 SDIP points.
- 31% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #68.
- 36% on rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #68, #69, or #70.
- 39% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 6 SDIP points.
- 44% on rates for multi-car policies in the standard underwriting tier with collision coverage on one vehicle where the policy has 7 SDIP points.

- 57% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 1 SDIP point.
- 57% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 2 SDIP points.
- 67% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 3 SDIP points.
- 68% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 6 SDIP points.
- 70% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 7 SDIP points.
- 71% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 8 SDIP points.
- 68% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #195.
- 71% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #195, #196, or #197.

All non-fleet private passenger auto physical damage rates that is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 81% on rates for single car policies in the preferred underwriting tier, where the policy has 12-17 SDIP points, with a 12 point violation.
- 66% on rates for single car policies in the preferred underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation.
- 63% on rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 80% on rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 67% on rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 86% on rates for single car policies in the ultra-preferred underwriting tier, where the policy has 12-17 SDIP points, with a 12 point violation.
- 76% on rates for single car policies in the ultra-preferred underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation.
- 83% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 74% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.
- 86% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-17 SDIP points, with a 12 point violation.
- 1.58 factor applies to rates for risks garaged in territory 52. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 76% on rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation.

All deviations applicable to non-fleet private passenger auto physical damage. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.45 factor applies to rates for risks garaged in the following counties in territory 33. Carteret, Currituck, Dare, Gates, and Pasquotank. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.34 factor applies to rates for risks garaged in territory 40. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.09 factor applies to rates for risks garaged in territory 41. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.38 factor applies to rates for risks garaged in territories 15, 16, 24, and counties in territory 33 not described in Deviation #172.
- 1.75 factor applies to rates for risks garaged in territory 17.
- 1.47 factor applies to rates for risks garaged in territory 18.
- 1.99 factor applies to rates for policies with an average driver group of 5.

- 1.35 factor applies to rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
- 1.15 factor applies to rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines
- 1.30 factor applies to rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
- 1.12 factor applies to rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.08 factor applies to rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.15 factor applies to rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
- 1.06 factor applies to rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.08 factor applies to rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.27 factor applies to rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- factor applies to rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.49 factor applies to rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.04 factor applies to rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.14 factor applies to rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.10 factor applies to rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.25 factor applies to rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.07 factor applies to rates for policies with 2-3 SDIP points with one or more inexperienced operators.
- 1.25 factor applies to rates for policies with 4-5 SDIP points with one or more inexperienced operators.
- 1.30 factor applies to rates for policies with 6-11 SDIP points with one or more inexperienced operators.
- 1.81 factor applies to rates for policies with 12 or more SDIP points with one or more inexperienced operators.
- 1.12 factor applies to rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.40 factor applies to rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
- 1.56 factor applies to rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.10 factor applies to rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
- factor applies to rates for single car policies with one or more at-fault accidents and zero SDIP points.
- factor applies to rates for risks garaged in territory 51.
- factor applies to rates for risks garaged in territory 31.
- 1.44 factor applies to rates for risks garaged in territory 32.
- 1.39 factor applies to rates for risks garaged in territory 33.
- factor applies to rates for risks garaged in territory 40.
- 1.45 factor applies to rates for risks garaged in territory 47.
- 1.54 factor applies to rates for risks garaged in territory 52.
- 1.40 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 26.

All non-fleet private passenger physical damage automobiles.

- 5% on rates for multi-car policies in the nonstandard, middle and standard underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 11% on rates for multi-car policies in the preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobilehome). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 5% on rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 6% on rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines. Eff. 7-1-03 PC 062191

Progressive Northern Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments.

If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.11 factor applies to rates for risks garaged in territory 15.
- 1.23 factor applies to rates for risks garaged in territory 17.
- 1.26 factor applies to rates for risks garaged in territory 32 and 47.
- 1.29 factor applies to rates for risks garaged in territory 13 and 52.

Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 3% on rates for single car policies in the standard underwriting tier where the policy has 4 SDIP points.
- 12% on rates for single car policies in the standard underwriting tier where the policy has 5 SDIP points.
- 16% on rates for single car policies in the standard underwriting tier where the policy has 6 SDIP points.
- 23% on rates for single car policies in the standard underwriting tier where the policy has 7 SDIP points.
- 3% on rates for multi-car policies in the standard underwriting tier where the policy has 3 SDIP points.
- 12% on rates for multi-car policies in the standard underwriting tier where the policy has 4 SDIP points.
- 21% on rates for multi-car policies in the standard underwriting tier where the policy has 5 SDIP points.
- 24% on rates for multi-car policies in the standard underwriting tier where the policy has 6 SDIP points.
- 13% on rates for single car policies in the preferred underwriting tier where the policy has 0 SDIP points.
- 13% on rates for single car policies in the preferred underwriting tier where the policy has 1 SDIP point.
- 17% on rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points.
- 17% on rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points.
- 25% on rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points.
- 1% on rates for multi-car policies in the preferred underwriting tier where the policy has 2 SDIP point.
- 3% on rates for multi-car policies in the preferred underwriting tier where the policy has 3 SDIP points.
- 11% on rates for multi-car policies in the preferred underwriting tier where the policy has 4 SDIP points.
- 35% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points.
- 35% on rates for single car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point.
- 23% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points.
- 23% on rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point.

LIABILITY All deviation applies to non fleet private passenger auto bodily injury, property damage & medical payments with a 12 point violation that is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 55% on rates for single car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points.
- 45% on rates for single car policies in the non-standard underwriting tier where the policy has 15-17 SDIP points.
- 3% on rates for single car policies in the non-standard underwriting tier, where the policy has 18-21 SDIP points.
- 37% on rates for multi-car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points.
- 37% on rates for multi-car policies in the non-standard underwriting tier, where the policy has 15-17 SDIP points.
- 2% on rates for multi-car policies in the non-standard underwriting tier, where the policy has 18-21 SDIP points.
- 60% on rates for single car policies in the middle underwriting tier, where the policy has 12-14 SDIP points.
- 51% on rates for single car policies in the middle underwriting tier, where the policy has 15-17 SDIP points.
- 14% on rates for single car policies in the middle underwriting tier, where the policy has 18-21 SDIP points.
- 45% on rates for multi-car policies in the middle underwriting tier, where the policy has 12-14 SDIP points.
- 45% on rates for multi-car policies in the middle underwriting tier, where the policy has 15-17 SDIP points.
- 15% on rates for multi-car policies in the middle underwriting tier, where the policy has 18-21 SDIP points.
- 67% on rates for single car policies in the standard underwriting tier where the policy has 12-14 SDIP points.
- 58% rates for single car policies in the standard underwriting tier where the policy has 15-17 SDIP points.
- 26% on rates for single car policies in the standard underwriting tier, where the policy has 18-21 SDIP points.

- 51% on rates for multi-car policies in the standard underwriting tier, where the policy has 12-14 SDIP points.
- 48% on rates for multi-car policies in the standard underwriting tier, where the policy has 15-17 SDIP points
- 20% on rates for multi-car policies in the standard underwriting tier, where the policy has 18-21 SDIP points.

Deviation applies to non-fleet private passenger auto bodily injury, property damage and medical payments. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation:

- 1.30 factor to risks garaged in territories 40 and 41.
 - 1.32 factor to risks garaged in territories 33.
 - 1.33 factor to risks garaged in territories 31
 - 1.34 factor to risks garaged in territory 18.
 - 1.08 factor applies to policies with an average driver group of 16.
 - 1.15 factor applies to policies with an average driver group of 15.
 - 1.23 factor applies to policies with an average driver group of 14.
 - 1.34 factor applies to policies with an average driver group of 13.
 - 1.40 factor applies to policies with an average driver group of 12.
 - 1.50 factor applies to policies with an average driver group of 11.
 - 1.56 factor applies to policies with an average driver group of 10.
 - 1.66 factor applies to policies with an average driver group of 9.
 - 1.76 factor applies to policies with an average driver group of 8.
 - 1.87 factor applies to policies with an average driver group of 7.
 - 1.98 factor applies to policies with an average driver group of 6.
 - 2.13 factor applies to policies with an average driver group of 5.
 - 2.29 factor applies to policies with an average driver group of 4.
 - 2.53 factor applies to policies with an average driver group of 3.
 - 2.80 factor applies to policies with an average driver group of 2.
 - 3.25 factor applies to policies with an average driver group of 1.
 - 1.10 factor applies to single car policies with one at-fault accident and more than zero SDIP points.
 - 1.14 factor applies to single car policies with two at-fault accidents and more than zero SDIP points.
 - 1.23 factor applies to single car policies with three or more at-fault accidents and more than zero SDIP points.
 - 1.06 factor applies to multi-car policies with one at-fault accident and more than zero SDIP points.
 - 1.08 factor applies to multi-car policies with two at-fault accidents and more than zero SDIP points.
 - 1.12 factor applies to multi-car policies with three or more at-fault accidents and more than zero SDIP points.
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- 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 1% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #34, #35, or #36. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 7% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the middle market underwriting tier where the policy has 7 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the middle market underwriting tier where the policy has 8 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
 - 8% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the middle market underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #40. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 68% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 43% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 61% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 59% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 36% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 80% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 75% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 57% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 71% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - Manslaughter or negligent homicide,
 - Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,

- o Failure to stop and render aid when involved in an accident resulting in bodily injury or death.
 - o Transporting illegal intoxicating liquors by motor vehicle.
 - o Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 68% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - o Manslaughter or negligent homicide,
 - o Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - o Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - o Transporting illegal intoxicating liquors by motor vehicle.
 - o Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 51% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points, with a 12 point violation that is not one of the following:
 - o Manslaughter or negligent homicide,
 - o Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - o Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - o Transporting illegal intoxicating liquors by motor vehicle.
 - o Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 1.36 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 16. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.37 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 51. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- The \$3 installment fee will be waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 1.38 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 14. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.45 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 14. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.49 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 24. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.46 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 43. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 11 and 26. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

- 1.65 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 11. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
- 50% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 40% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 50% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 51% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 56% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 44% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 48% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 51% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 54% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 47% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 49% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 3 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 54% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 54% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on more than one vehicle where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 54% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 71% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 73% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 62% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 59% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 26% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 53% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 47% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 24% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 62% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.
 Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 57% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 34% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 72% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 70% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 44% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 18 or more SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 63% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle market underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 39% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points, with a 12 point violation that is not one of the following:
 - A. Manslaughter or negligent homicide,
 - B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
 - C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 70% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points, with a 12 point violation that is not one of the following:
Manslaughter or negligent homicide,
Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
Transporting illegal intoxicating liquors by motor vehicle.
Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

Deviation on a fleet private passenger auto physical damage with a 12 point violation that is not one of the following:

- A. Manslaughter or negligent homicide,**
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,**
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,**
- D. Transporting illegal intoxicating liquors by motor vehicle.**

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 66% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle market underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
 - 48% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
 - 76% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 12-14 SDIP points.
 - 74% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 15-17 SDIP points.
 - 53% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 18 or more SDIP points.
 - 68% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
 - 63% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
 - 46% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.
 - 74% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
 - 70% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
 - 54% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tiers, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
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- 1.71 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 16, 40 and 51. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.72 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 17, 25, 32, 41, 47 and 52. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.06 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 16. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.11 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 15. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.18 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 14. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 13. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.31 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 12. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.40 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 11. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.48 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 10. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.56 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 9. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.64 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 8. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.76 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 7. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.84 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 6. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.17 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 4. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.62 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 3. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.83 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 2. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 3.56 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 1. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 5% on non-fleet private passenger auto physical damage rates. This deviation applies only to risks who are members of qualified participating groups, associations or employees of qualified participating employers. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 10% on non-fleet private passenger auto physical damage rates. This deviation applies only to risks who are members of qualified participating groups or associations or employees of qualified participating employers. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 18% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #47. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 26% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #47, #48, or #49. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 14% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier with collision coverage on more than one vehicle where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #50. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 24% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier with collision coverage on more than one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #50, #51, or #52. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 27% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #53. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 34% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier with collision coverage on one vehicle where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #53, #54, or #55. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 39% on non-fleet private passenger auto physical damage rates for single car policies in the middle market underwriting tier where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #56. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 43% on non-fleet private passenger auto physical damage rates for single car policies in the middle market underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #56, #57, or #58. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 32% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle market underwriting tier with collision coverage on more than one vehicle where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #59. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

Deviation on non-fleet private passenger auto physical damage with a 12 point violation that is not one of the following:

A. Manslaughter or negligent homicide,

B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,

Failure to stop and render aid when involved in an accident resulting in bodily injury or death,

Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 81% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 12-14 SDIP points
- 80% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 15-17 SDIP points
- 65% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 18 or more SDIP points
- 75% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 73% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
- 59% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points
- 80% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 77% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
- 65% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
- 89% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 12-14 SDIP points
- 88% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 15-17 SDIP points
- 77% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 18 or more SDIP points
- 84% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 82% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points
- 74% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points
- 87% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 85% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points. 77% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.

If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

- 1.76 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 51.
- 1.77 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 31.
- 1.78 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 16.
- 1.99 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 5.
- 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
 - 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
 - 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
 - 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
 - 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
 - 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
 - 1.81 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 41. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.83 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 17 and 52. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.84 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 25 and 47. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.85 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 14 and 15. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.87 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 33. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.93 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 18 and 26. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 1.94 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 24. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
 - 2.02 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 13 and 43. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
- Effective 7-1-03

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts.
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
- Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
- Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
- Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
- 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.

- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction. Eff. 7-1-99

Progressive Southeastern Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

LIABILITY

- 1.11 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territory 47. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territory 15. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territory 32 and 47. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 1% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the middle underwriting tier where the policy has 5 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the middle underwriting tier where the policy has 6 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 2 SDIP point. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 3 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 11% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 4 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. 20% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 5 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 20% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 5 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 23% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 6 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 29% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier where the policy has 7 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the standard underwriting tier where the policy has 5 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 7% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the standard underwriting tier where the policy has 6 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 20% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 0 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 20% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 1 SDIP point. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 24% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 24% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 31% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 7% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 0 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 7% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 1 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 9% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 2 SDIP point. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 1% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 3 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 18% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 4 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 40% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 40% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 29% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 29% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 1 SDIP point. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

Deviation on non-fleet private passenger auto bodily injury, property damage and medical payments with a 12 point violation that is not one of the following:

- A. Manslaughter or negligent homicide,**
- B. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing,**
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,**
- D. Transporting illegal intoxicating liquors by motor vehicle.**

Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 59% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points.
- 49% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier where the policy has 15-17 SDIP points.
- 11% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier, where the policy has 18-21 SDIP points.
- 42% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points.
- 42% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard underwriting tier, where the policy has 15-17 SDIP points.

- 1.87 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 7. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.98 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 6. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 5. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 4. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.53 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 3. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.80 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 2. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 3.25 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 1. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with an average driver group of 1. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates. This deviation applies only to risks who are members of qualified participating groups, associations or employees of qualified participating employers. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 10% on non-fleet private passenger auto bodily injury, property damage and medical payments rates. This deviation applies only to risks who are members of qualified participating groups or associations or employees of qualified participating employers. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier where the policy has 7 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier where the policy has 8 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #37. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 44% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 6 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 49% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 7 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 50% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 8 SDIP points. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 52% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 9-12 SDIP points and risk is not eligible for liability deviation #151. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 55% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for liability deviations #151, #152, or #153. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

Deviation on non-fleet private passenger auto bodily injury, property damage and medical payments with a 12 point violation that is not one of the following:

- Manslaughter or negligent homicide,
- Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
- Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- Transporting illegal intoxicating liquors by motor vehicle.

Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

- 76% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 12-14 SDIP points.
- 71% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier where the policy has 15-17 SDIP points.
- 47% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points
- 65% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier, where the policy has 12-14 SDIP points
- 63% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier where the policy has 15-17 SDIP points
- 41% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier, where the policy has 18-21 SDIP points
- 82% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 12-14 SDIP points
- 77% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points
- 61% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points
- 73% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier, where the policy has 12-14 SDIP points
- 71% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 15-17 SDIP points
- 56% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier where the policy has 18-21 SDIP points.

If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.36 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 16.
- 1.37 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in territories 51.
- 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments for rates for single car policies with one or more at-fault accidents and zero SDIP points.
- 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
- 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
- 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.

- 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines
- 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines
- 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines
- 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified
- 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified
- 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines
- 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified.
- 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators.
- 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators.
- 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators.
- 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators.
- 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
- 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- The \$3 installment fee will be waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- 1.38 factor applies to non-fleet private passenger auto BI, PD and medical payments rates for risks garaged in territory 14. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.45 factor applies to non-fleet private passenger auto BI, PD and medical payments rates for risks garaged in territory 25. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.46 factor applies to non-fleet private passenger auto BI, PD and medical payments rates for risks garaged in territory 43. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.49 factor applies to non-fleet private passenger auto BI, PD and medical payments rates for risks garaged in territory 24. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.37 factor applies to non-fleet private passenger auto BI, PD and medical payments rates for risks garaged in territory 11 and 26. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

- 1.65 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territory 11. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
- 54% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 45% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 54% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 55% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 3 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 59% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 62% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 49% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 53% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 55% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on more than one vehicle where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 51% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 53% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 3 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 61% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with collision coverage on one vehicle where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 62% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on more than one vehicle where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 58% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 0 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 73% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with collision coverage on one vehicle where the policy has 4 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 75% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 5 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

Deviation on non-fleet private passenger auto physical damage with a 12 point violation that is not one of the following:

- A. Manslaughter or negligent homicide,**
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,**
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,**
- D. Transporting illegal intoxicating liquors by motor vehicle.**

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 65% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 12-14 SDIP points.
- 63% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 15-17 SDIP points.
- 32% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier, where the policy has 18 or more SDIP points.
- 57% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 52% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points, 30% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.
- 65% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 60% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
- 39% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
- 74% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 12-14 SDIP points.
- 72% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 15-17 SDIP points.
- 49% on non-fleet private passenger auto physical damage rates for single car policies in the middle underwriting tier, where the policy has 18 or more SDIP points.
- 66% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 62% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
- 44% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.
- 73% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 69% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
- 52% on non-fleet private passenger auto physical damage rates for multi-car policies in the middle underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
- 78% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 12-14 SDIP points.
- 75% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 15-17 SDIP points.
- 57% on non-fleet private passenger auto physical damage rates for single car policies in the standard underwriting tier, where the policy has 18 or more SDIP points.
- 71% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 66% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
- 51% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.
- 76% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 72% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.

- 57% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard underwriting tiers, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
- 1.71 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 40. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
- 1.72 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 32. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 16. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.11 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 15. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.18 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 14. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 13. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.31 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 12. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.40 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 11. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.48 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 10. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.56 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 9. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.64 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 8. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.76 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 7. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.84 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 6. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.17 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 4. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.62 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 3. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.83 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 2. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 3.56 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 1. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 5% on non-fleet private passenger auto physical damage rates. This deviation applies only to risks who are members of qualified participating groups, associations or employees of qualified participating employers. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 10% on non-fleet private passenger auto physical damage rates. This deviation applies only to risks who are members of qualified participating groups or associations or employees of qualified participating employers. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 25% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier where the policy has 12 SDIP points and risk is not eligible for physical damage deviation #47. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 32% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard underwriting tier where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #47, #48, or #49. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 69% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 2 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 70% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 3 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 76% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 6 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 78% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 7 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 79% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 8 SDIP points. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 77% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 9-12 SDIP points and risk is not eligible for physical damage deviation #195. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 79% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 13 or more SDIP points and risk is not eligible for physical damage deviations #195, #196, or #197. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

Deviations on non-fleet private passenger auto physical damage with a 12 point violation that is not one of the following:

- A. Manslaughter or negligent homicide,
- B. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing,
- C. Failure to stop and render aid when involved in an accident resulting in bodily injury or death,
- D. Transporting illegal intoxicating liquors by motor vehicle.

Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

- 83% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 12-14 SDIP points.
- 82% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 15-17 SDIP points
- 68% on non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier, where the policy has 18 or more SDIP points
- 77% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points.
- 75% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
- 63% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.
- 81% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 79% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
- 68% on non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points.
- 89% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 12-14 SDIP points.
- 89% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 15-17 SDIP points
- 79% on non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier, where the policy has 18 or more SDIP points.
- 85% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 12-14 SDIP points
- 83% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 15-17 SDIP points.
- 75% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on more than one vehicle, where the policy has 18 or more SDIP points.

- 88% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 12-14 SDIP points.
- 86% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 15-17 SDIP points.
- **If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.**
- 79% on non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier, with collision coverage on one vehicle, where the policy has 18 or more SDIP points. 1.37 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 14, 15, 31 and 33.
- 1.76 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 51.
- 1.77 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 31.
- 1.78 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 16.
- 1.99 factor applies to non-fleet private passenger auto physical damage rates for policies with an average driver group of 5.
- 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
- 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
- 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
- 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
- 1.08 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.27 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.19 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
- 1.49 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.04 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. 214. (NC) 1.14 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.25 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified.
- 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators.
- 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators.
- 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators.
- 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators.

- 1.12 factor applies to non-fleet private passenger physical damage rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
- 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
- 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
- 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points.
- 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
- 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.

If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

- 1.81 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 41.
- 1.83 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 17 and 52
- 1.84 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 25 and 47
- 1.85 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 14 and 15
- 1.87 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 33.
- 1.93 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 18 and 26
- 1.94 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 24.
- 2.02 factor applies to non-fleet private passenger auto physical damage rates for risks garaged in territories 13 and 43
Effective 7-1-03

Providence Washington Insurance Company

Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. Eff.7-1-02

Prudential Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.

- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment. Eff. 7-11-03

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00

Royal Indemnity Company

- 5% Companion Policy Credit for automobile policy, for which on inception date there is in force, a homeowners policy covering same insured in any member of Royal Insurance.
- Discount for eligible employee: 20% credit to total personal auto policy premium.
- Installment Payment Plan waiver.
- 5% Good Driver Discount applies to bodily injury, property damage, medical payment & collision coverage.
- 5% Experience Operator Credit applies to bodily injury, property damage, medical payments, collision & comprehensive coverage if principal operator is age 55 or older & no inexperienced operator.
- Passive Restraint Discount: Credit varies.
- 5% Anti-Lock Braking System credit applies to bodily injury & property damage for vehicles equipped with factory installed 4 wheel anti-lock braking system.
- 5% Window Glass Etching Credit applies to comprehensive coverage.
- Anti-Theft Device Credit applies to comprehensive coverage. Credit varies 5% - 15%.
- 10% Company Car Credit applies to bodily injury, property damage, medical payment, comprehensive & collision for single car policies when company car is in the household.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.
- 10% Mass Marketing Discount: Applies to liability, med pay, comprehensive & collision: Certain criteria has to be met.
- Preferred Program Discount by territory. Eff. 9-1-00

Royal Insurance Company of America

- 20% Employee Discount for eligible employees. Credit applicable to total personal auto policy premium.
- Companion Policy Credit: 1% credit when auto & homeowner policy in-force with any member of Royal Insurance.
- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- 5% Good Driver Discount for private passenger auto bodily injury, property damage, medical payments & collision coverage.
- 5% Experience Operator Credit for private passenger auto bodily injury, property damage, medical payments & collision coverage: Certain criteria apply.
- 5% Anti-Lock Braking System Credit for private passenger auto bodily injury & property damage for vehicles equipped with a factory installed 4 wheel anti-lock braking system.
- 5% Window Glass Etching credit for comprehensive coverage.
- Anti-Theft Device Coverage Credit for comprehensive coverage. Credit varies 5% - 15%.
- 10% Company Car Credit for bodily injury, property damage, medical payments, comprehensive & collision for single car policies when there is a company car in the household.
- Installment Payment Plan: \$1 each installment for Electronic Fund Transfer.
- Group Mass Marketing Discount: 10% applies to liability, med pay, comp & collision: Certain criteria apply.
- Passive Restraint Discount applicable to med pay only. Eff. 9-1-00

Safeco Insurance Company of America

- Checkless Pay Plan: No service charge if insured makes 1st month's down payment and subsequent payments made through automatic withdrawal. Eff. 9-1-00

Safeguard Insurance Company

- Companion Policy Credit: 1% credit when auto & homeowner policy in-force with any member of Royal Insurance Co.
- 20% Discount for Eligible Employees. Credit applicable to total personal auto policy premium.
- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- 5% Good Driver Discount applies to bodily injury, property damage, med pay, & collision coverage: Certain criteria apply.
- 5% Experienced Operator Credit applies to bodily injury, property damage, med pay, collision & comprehensive coverage if principal operator is age 55 or older & no inexperienced operators apply to vehicle.
- Passive Restraint Discount applies to medical payments rate: Credit varies 20% - 40%.
- 5% Anti-Lock Braking System Discount applies to bodily injury & property damage for vehicles equipped with factory installed 4-wheel anti-lock braking system.
- 5% Window Glass Etching Credit applies to comprehensive coverage.
- 5% or 15% Anti-Theft Device Credit applies to comprehensive coverage: Certain criteria apply.
- 10% Company Car Credit applies to bodily injury, property damage, med pay, comprehensive & collision for single car policies when there is a Company car in the household.
- Installment Payment Plan: \$1 each installment for Electronic Funds Transfer.
- 10% Group Discount applies to liability, med pay, comprehensive & collision: Certain criteria apply.
- Preferred Program Discount applies to bodily injury, property damage, med pay, comprehensive & collision by territory.
- Super Preferred Program Discount applies to bodily injury, property damage, med pay, comprehensive & collision for all territories.
- 7% Company Deviation applies to bodily injury, property damage, med pay, comprehensive & collision. Eff. 9-1-00

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment. Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperience operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met. Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates. Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy

In force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.

- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types). Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation. Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk. Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment. Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies. Eff. 1-27-03

South Carolina Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-52 yrs. of driving experience. 47%- 60% credit.
- Deviation for multi-car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-42 yrs. of driving experience. 43% -55% credit.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. Driving motor vehicle while intoxicated.

- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 5% credit.
- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 3% credit.

- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 1.5% credit.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing
 - Transporting illegal intoxicating liquors by motor vehicle.
- 5% non-fleet private passenger auto comprehensive & collision for policies that are insured with South Carolina Insurance Company with no lapse in coverage between policies & have 12-20 SDIP pts. & all drivers licensed 5-52 yrs.
 - 15% non-fleet private passenger auto comprehensive & collision for policies with 12-20 SDIP pts. & all drivers licensed 5 - 52 yrs.

12 point violation must not be one of the following.

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Driving motor vehicle while intoxicated.
- 25% non-fleet private passenger auto comprehensive & collision for policies with 12 - 20 SDIP pts., all drivers licensed 5 - 52 yrs. & no driver with an at fault accident within the last 12 months preceding policy effective date. Eff.10-21-98

Southern Fire & Casualty Insurance Company – Withdrawn 1-1-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees. Eff. 7-1-00

Southern Insurance Company of Virginia

STANDARD PROGRAM

- 3% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for all operators in household who have 14-44 yrs of driving experience.
- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Devices Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5%

PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- 7% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision

coverage for all operators in household who have 14-44 yrs of driving experience.

- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies 10%-25%.
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- New Business Automobile Discount: 5% deviation applies to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision when criteria are met.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Device Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5% Eff. 11-15-03

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina - Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.
- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a 5% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Multi Policy Discount: 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile. Eff. 5-1-03

Standard Fire Insurance Company

- 15% non-fleet private passenger auto liability insurance rates.
- 23% non-fleet private passenger auto physical damage rates.
- Loss & Conviction Free Deviation for multi-car policies. 15% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single & multi-car policies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision. 5% for facility issued policies for comprehensive & collision coverage. Eff. 3-29-96

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no

inexperienced operators, for an Insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.

- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 35% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured who is 55-69 yrs. of age and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Electronic Funds Transfer: \$1 monthly service charge per policy. Eff. 9-1-00

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & Insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and Insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems. Eff. 2-1-93

State Capital Insurance Company

- Installment Payment Plan: Waive initial installment charge.
- 10% credit applicable to auto policy when named Insured has Homeowners policy with State Capital, Northwestern National, or American Professionals Insurance Company.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- 5%-15% - not applicable to motorcycle.
- 9% deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: 5% credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- 2% on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs. Eff. 7-1-03 PC062355

State National Specialty

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met. Eff. 2-6-95

TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision. Eff. 3-1-98

Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.

- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - No installment fee shall be charged.
- No installment fee charged on first installment for new business policies written on an installment payment basis.
- Eff 9-20-03 PC064365

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage. Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates. Eff. 10-15-92

Travelers Casualty & Surety Company of Illinois

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates. Eff. 10-15-92

Travelers Indemnity Company

- 9% Account Discount when insured has private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments; 30% collision; 10% for comprehensive, fire/fire, and theft/fire, theft and CAC coverage for those insureds who have single car policy & have more than one private passenger auto with The Travelers.
- 3% Renewal Credit: Non-fleet private passenger auto rates if insured has maintained auto coverage with the Travelers for last 6 or more consecutive yrs.
- 1% deviation for private passenger auto rates for employees of Multi-Line Insurance and Financial Services Institution.
- 1% for private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- 1% deviation for private passenger auto rates for North Carolina State University employees as part as of an Employer Payroll Deduction Premium Payment Plan. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of A Credit Union Family. Installment charge deleted.
- 1% deviation for private passenger auto rates for Employees of Research and Development Institutions. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of AAA Group. Installment charge deleted.
- 1% deviation for private passenger auto rates for employees of Philip Morris Companies as part as a payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount - 9% account discount will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC

coverages for Insureds who have a single car policy and have more than one private pass auto insured with The Travelers.

- Renewal Credit: 3% non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger Insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03 PC062256

The Travelers Indemnity Company of Connecticut

- pricing Factors— 10% deviation for liability coverages and 10% deviation for property damage coverages will be applied to voluntary private passenger automobiles.
- Account Discount— 9% discount will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – 3% credit will be applied to voluntary private passenger automobile rates if the Insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years. Eff. 7-1-03

Travelers Indemnity Company of Illinois

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for Insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met. Eff. 8-21-99

Travelers Personal Security Insurance Company

- 10% non-fleet private passenger auto liability rates.
- 19% non-fleet private passenger auto physical damage rates.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payment & collision to single & multi-car policies that are loss & conviction free.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist coverage, comprehensive & collision coverage, Facility policies: 5% applies comprehensive & collision when named insured also purchases homeowner policy (HO-2, HO-3 or HO-6). Eff. 3-29-96

TwIn City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.). Eff.4-15-03

USAA Casualty Insurance Company

- Base Rate Deviation by coverage and by territory - Credit Varies by territory.
- 0% non-fleet private passenger auto liability, physical damage, extended transportation expense, & towing & labor coverages.
- 5% non-fleet private passenger auto other than collision coverage for vehicles with active disabling anti-theft devices.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices & for vehicles equipped with a vehicle recovery system.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- 100% on rates for covered property coverage for trailers insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 30% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bags both sides.
- 10% non-fleet private passenger auto medical payments coverage for vehicles equipped with passive seat belt both sides or drivers side only.
- 10% non-fleet private passenger auto liability & physical damage if principal operator is age 55 or older.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverage when criteria is met.
- Deviation on 6 month and annual short rate cancellation tables.
- 20% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bag drivers side only.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge. Eff. 1-1-04

USAA General Indemnity Company

- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 100% deviation for trailers insured for other than collision coverage.
- 100% deviation for vehicles insured for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan: Regular Plan - installment charge waived: Extended Plan - \$3 each installment, unless paid by electronic transfer then no charge. Eff. 8-1-00

Underwriters Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply. Eff. 10-1-99

Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6. Eff. 9-5-89

Unisun Insurance Company

- Preferred Driver Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premium. Credit applies to each vehicles when criteria is met.
- Full Coverage Discount: 3% non-fleet private passenger auto bodily injury, property damage, medical payments collision & other than collision when criteria is met.
- Multi-Vehicle Discount: 5% additional credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Eff. 12-15-96

United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor coverages - credit varies by territory.

- 5% non-fleet private passenger auto liability & physical damage; 10% extended transportation expense coverage, towing & labor.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with active anti-theft disabling devices or vehicles using steering wheel bar locks.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles with passive disabling anti-theft devices & vehicle recovery system.
- 100% private passenger non-fleet auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 30% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bags on both sides.
- 20% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bag on driver side only.
- 10% non-fleet private passenger auto medical payments coverage for vehicles with passive seat belt restraint.
- 10 % non-fleet private passenger auto liability & physical damage rates if principal operator is age 55 & older.
- 100% on rates for covered property for trailers insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverages.
- Deviation on 6 month & annual short rate cancellation tables.
- Extended Billing Plan: Regular Plan - no installment charge: Extended Plan - \$3 installment charge. Eff. 1-1-04

United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Unitrin Auto and Home Insurance Company

- Voluntary Liability Deviation – Bodily Injury and Property Damage credit varies by territory and tiers.
- Voluntary Physical Damage Deviation – Collision and Comprehensive credit varies by territory and tiers.
- Safety Equipment Discounts – Passive Restraint Discount – medical payments only – auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements. Credit varies according to installed equipment.
- Anti-lock Braking System Discount – 5% discount for single limit liability or bodily injury and property damage liability coverage shall be afforded for those private passenger auto equipped with a factory installed four wheel anti-lock braking system (abs).
- Extended Transportation Expenses Coverage-Package Plus Only \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation – Package Plus Only – compute return premium on a Pro Rata basis per chart.
- Classifications – Experienced Operator Credit
- Deferred Premium Payment Plans
- Network Discount – 7% discount applied to BI, PD, Med Pay, Colf & Comp if individual is a member of the Network Group.
- Anti-theft Devices – 5% alarm only and active disabling devices, 15% Passive Disabling Device. Eff 10-1-03
PC060474, PC062833, PC065530

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.

- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver. Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met. Eff. 12-1-00

Vallant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits. Eff. 7-1-03

Virginia Mutual Insurance Company

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments, with "0" SDIP pts. & no inexperience operators.
- 10% non-fleet private passenger auto comprehensive & collision with "0" pts. and no inexperience operators. Eff. 9-1-97

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

Windsor Insurance Company

LIABILITY Applicable to non-fleet private passenger auto bodily injury, damage & medical payments coverage for all listed components.

Group 1

12 point violation that is not one of the following:

- Manslaughter or negligent homicide.
- Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 14% - 43%.
- Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 23% - 70%.
- Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
- Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 40% - 75%.
- Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 10% - 43%.
- Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
- Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 28% - 70%.
- Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 41% - 75%.
- 7% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.
- 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.
- 10% deviation applies to auto BI, PD and Med Pay when the total policy premium is paid with the application or renewal quote.
- 12% auto BI & PD policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
- 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.
- 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
- 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance.

Group II

Contain either no 12 point violation or a 12 point violation that is one of the following:

- a. Manlaughter or negligent homicide.
 - b. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
 - Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 2% - 34%.
 - Deviation single-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit 3% - 35%.
 - Deviation single-car policies, unmarried driver, 2-20 SDIP pts. & least experienced operator has 7-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
 - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 26%.
 - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 1% - 28%.
 - Deviation multi-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 3% - 20%.
 - Deviation multi-car policies, unmarried driver, 4 - 20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% or 20%.
 - 10% deviation applies to auto BI, PD & Med Pay when the total policy premium is paid with the application or renewal quote.
 - 15% auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
 - 10% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.

- 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.
- 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.
- 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
- 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance. Eff. 7-22-02

Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met. Eff. 7-15-96

AUTOMOBILE As of 12-15-04

ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for single-car & multi-car policyholders for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount. Eff. 5-14-04 pc070179

All America Insurance Company

- Withdrawn

Allstate Indemnity Company

Preferred Program

- Territory Deviations: Applies to auto bodily injury, property damage, med pay, collision and comprehensive coverages: Credit varies.
- Tier Deviation: Certain criteria must be met.
- Years Licensed Deviation: Applies to auto bodily injury, property damage, comprehensive & collision coverages: Credit varies by coverage.
- Accident Rating Deviation: Years since last accident 0 - 3+: Factors vary 1.00 - 1.20.
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount: 15% credit when principal operator is 55 or less than 71 yrs. of age, 1% credit when 71 yrs. or older: Other criteria apply.
- New Car Discount: 0 - 2+ yrs.: Factors vary .95 - 1.00: Other criteria apply.
- The Good Hands People Discount: 10% credit applies to qualifying named insureds.
- Electronic Funds Transfer Deviation: \$1 installment fee.

Regular Auto Program

- 22.5% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for single car policies.
- 16.0% non-fleet private passenger auto bodily injury & property damage for policies with 12-15 SDIP pts. for multi-car policies.
- Installment Pay Plan: \$1 per installment by Easy Payment Plan (EPP) Electronic Funds Transfer.
- Installment Pay Plan: Payroll deduction for Allstate Employees (NC); Installment charges waived.
- 10% discount on collision & comprehensive for member of an approved Allstate Corporation and its subsidiaries (The Good Hands People Discount). Eff 7-1-04 PC072275

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer. Effective 7-1-04 PC072554

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided. Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates. Eff. 9-1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01
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American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

American & Foreign Insurance Company

- Installment Payment Plan waiver.

Eff. 5-15-04 PC068691

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes. Eff. 12-20-02

American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only device.
- Discount on comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-lock brake discount.
- Various deviations on on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit.
- Installment Payments Eff. 10-01-03

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
 - a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxication liquors by motor vehicle.
- 1. 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 2. 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 3. 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 4. 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 5. 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 6. 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 7. 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 8. 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 9. 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 10. 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 11. 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 12. 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13. 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 14. 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 15. 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation. Effective 8-27-04 PC073480

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.

- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies. Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies. Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied. Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household. Eff. 4-19-91

American States Preferred Insurance Company

- See exception pages on the NC Department of Insurance website www.ncdoi.com. Eff. 8-19-04 PC072161

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.

- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.
Eff. 11-1-04 PC074206

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates. Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies. Eff. 4-1-00

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments Eff. 10-01-03

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees. Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.

d. Transporting illegal intoxicating liquors by motor vehicle.

- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
- 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts. Eff. 7-1-94

MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage. Eff. 7-1-91

Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages all listed components. 6

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
 - 45% for multi car policies with 12-20 SDIP pts. Eff. 11-1-95

Auto Owners Insurance Company

Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.

Standard Program

- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Accidental Death Indemnity
- Total Disability Indemnity
- PC072354 Eff. 7-22-04

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision. Eff. 3-18-97

Builders Mutual Insurance Company

- 5% deviation on bodily injury, property damage, medical payments, comprehensive, & collision, if primary driver has at least 30 yrs. driving experience.
- Rating plan factor reduced by .05 for comprehensive & collision if the risk qualifies for multi car discount & has no inexperienced

operator.

- Rating plan factor reduction by .05 for bodily injury, property damage, medical payments, comprehensive & collision, if the risk is classified as having 0 SDIP pts.
- 5% deviation on bodily injury & property damage, if the vehicle is equipped with anti-lock brakes.
- 5% deviation for comprehensive only, if vehicle is equipped with an active anti-theft device: 10% deviation, if vehicle is equipped with a passive anti-theft device. Eff. 10-1-99

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates. Eff. 5-28-87

CGU Insurance Company

- 5% Account Credit is applicable to Personal Auto Policies where named insured has his/her Homeowners (except Forms HO-1 & HO-4) Insurance in any of General Accident companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes. Eff. 9-15-91

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Pay Plan deviation - 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from banking account to insurance company account.
- Deviation (7.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation (12.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Superior Drivers. Certain criteria apply.
- Eff 7-1-03 SPC 062332

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates. Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Pricing Factors Deviation: Applies to private passenger auto: 15% for liability coverages: 15% for property damage coverages.
- 9% Account Discount Deviation applies to all insureds who have both an auto & homeowners policy with Travelers.
- Contributing Vehicle Credit: 35% credit private passenger autos, pickups, vans and classic autos for bodily injury, property damage, medical payments coverage for single car policy & have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% credit private passenger autos, pickups, vans and classic autos for collision coverages for insured who have a single car policy & have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% credit priv pass autos, pickups, vans and classic autos for Comprehensive, Fire/Fire and theft/fire, theft, CAC coverages for insured who have a single car policy and have more than one private passenger auto insured with The Travelers.
- 3% Renewal Credit applies to private passenger auto rates if insured has maintained an auto policy with Travelers for the last 6 or more consecutive years. Eff. 7-1-03 PC062965

The Cincinnati Insurance Company

- 0% non-fleet private passenger auto liability rate deviation.
- 40% non-fleet private passenger auto physical damage rate deviation.
- 10% non-fleet private passenger liability & physical damage rate deviation, if policyholder has package policy with Cincinnati Insurance Company.
- Installment Payment Plan charge waived for personal autos & autos written in conjunction with a homeowner policy. Eff. 7-1-03

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for

principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.

- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%. Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories. Eff. 8-1-00

Consolidated American Insurance Company

- 10% non-fleet private passenger comprehensive & 15% collision rates. Deviation applies multi-car risk, all classes except farm use classes. No Inexperienced operators in household & 0 SDIP pts. applicable. Eff. 12-1-92

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount. Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met. Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.

- Passive Restraint Credit: 20% for driver side airbag; 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices; 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation. Eff. 6-01-01

Electric Insurance Company

- Preferred Rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Super Preferred rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Accident and Violation Free Discount: Credit varies 5% - 15% when criteria is met.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision for risks that meet Elfun Society Membership.
- 5% Mass Marketing Discount.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision if principal operator of vehicle is 55 yrs or older. Vehicle with inexperience operator surcharge is not eligible.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer Eff. 1-20-04 pc066981

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
Eff. 5-25-97

Encompass Indemnity Company

- Anti-Theft Device Discount: Apply factor of .95 to the Comprehensive Premium on vehicles equipped with alarm only device or active disabling device. Apply factor of .85 to the Comprehensive Premium on vehicles equipped with either of the following: a passive disabling device or a retrieval system which incorporates a device installed on the vehicle which emits a signal to allow for the vehicle's tracking and retrieval.
- VIN Etching Discount: Apply a factor of .95 to the Comprehensive Premium for any vehicle when the vehicle id number is etched into all of the windows of the vehicle and must be no smaller than one-eighth of an inch and must be non removable and permanent.
- Accident/Violation Free Discount: 10% discount to BI, PD, MED PAY and Coll provided that risk has not been assigned any driving points (sub-class 0). The discount applies only to private pass autos.
- Daytime Running Light Discount: 5% discount applies to the premium for BI, PD, MED PAY and Coll for autos equipped with factory installed daytime running lights.
- Companion Discount: 10% discount applies to the premiums for BI, PD, MED PAY, Comp and Coll if the named insured is also a named insured on an HO Policy with any of the Encompass Insurance Companies.
- Various Discounts for Airbags: Med Pay only, factory installed airbags which conforms to the federal crash protection requirements and
 - A: 20% discount when installed on driver side only
 - B: 35% discount when installed in both front outboard seat positions
 - C: 35% discount for an automatic belt restraint system
 If the vehicle has both airbags and an automatic belt restraint system, only the higher percentage discount shall apply.
- Anti-Lock Braking System Discount: 5% discount to the premiums for BI, PD for factor installed four wheel anti-lock braking system (ABS). Priv Pass only.
- Preferred Plus Tier: .85 factor applied to all policies written in the Fireman's Insurance Company which meet the certain criteria.
- Group Program Deviation: 5% deviation applies to Auto Liab, Med Pay Comp and Coll when written through CAN's Prop and Cas Group Program to members of any employee or affinity group.
- Effective 10-1-04 PC075213

Encompass Indemnity Company

Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC

Encompass Indemnity Company Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC 075210

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operators are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 or newer model vehicles with factory-installed anti-lock brake systems on all four wheels.
- 5% non-fleet private passenger comprehensive for all vehicles with etching a vin or serial number or active anti-theft devices.
- 10% non-fleet private passenger comprehensive for all vehicles with alarm or passive anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs. Deviation 1 pt. - 15%, 2 pts. - 40%, 3 pts. - 65%.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Non-fleet private passenger auto base rate deviation for bodily injury, property damage, medical payments, comprehensive & collision coverage by territory. Credit varies.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage when insured has both comprehensive & collision.
- Pro rata cancellation for all policies.
- Multi-Policy Discount: 10% credit when Homeowner or Mobile homeowner policy is written with The Erie and named insured must be same on all policies.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 1-1-04
- PC066417

Erie Insurance Exchange

- Base Rate Deviation by territory for bodily injury, property damage, medical payments, comprehensive & collision territory. Credit varies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device: 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation: 5% deviation other than full coverage.
- Multi Policy Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met. Eff. 7-1-03

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968

Farmers Insurance Exchange

- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comprehensive, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision. Eff. 7-1-03

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits. Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies. Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/Underinsured Motorist Coverage - factors vary. Eff. 1-1-04
- PC063945

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary. Eff. 01-01-04
- PC064886

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive. Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto Insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge. Eff. 10-1-03 PC064658

Firemans Fund Insurance Company of Wisconsin

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured/underinsured motorist, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator age 55 and older with no inexperienced operators.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator(s) have a minimum of 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage medical payments, comprehensive & collision for renewal discount where all operators have been written in the Fireman's Fund Direct program for at least 3 yrs. & are free of chargeable accidents & free of convictions. Eff. 11-24-97

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount. Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage. Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates. Eff. 12-7-87

First Liberty Insurance Corporation

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% when all operators are 55 or older, no inexperienced operators.
- 1% non-fleet private passenger auto bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 on first installment of installment plan.
- Multi Car Discount: 4% for collision only and 5% for Liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria

apply.

- Homeowners Discount: 18% applies to liability and 18% applies to phys dam per vehicle when insured maintains an eligible Homeowners policy.
- Single liability limits deviation by territory, credit varies.
- Split liability limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation by territory, credit varies. Eff. 7-1-03 PC062604

First National Insurance Company of America

- 15% Deviation on bodily injury, property damage, and med pay coverages. 10% deviation on comprehensive & collision coverages.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision if policyholder has had auto insurance with any Safeco Company for 3 consecutive yrs.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for having a Safeco homeowners policy in force.
- Additional 5% Deviation on bodily injury, property damage, med pay, comprehensive & collision for certain specified 4 door vehicles.
- Additional 10% deviation on comprehensive & collision for mature drivers age 55 or older.
- Checkless Pay Plan: Waive \$3 installment charge.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for specified territories.
- Additional 5% deviation on bodily injury, property damage, med pay, comprehensive & collision for owning & occupying a home or condominium.
- Additional 10% deviation on comprehensive & collision for drivers with a driving record sub-classification of 0 and free of violation incidences. Eff. 9-20-01

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 11-22-04 PC077136

General Insurance Company of America

- All deviation components under PC043992 have been eliminated. Eff. 10/24/04 PC072365

Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43. Eff. 2-9-94

Globe Indemnity Company

- Installment Payment Plan - Agency Payroll Deduction: Certain criteria apply. Eff. 5-15-04 pc069382

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision and Liability limit of 300/300 by territory, credit varies.
- 10% non-fleet private passenger auto comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- 8% deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit: Non-fleet private passenger auto bodily injury, property damage, uninsured motorist, medical payments, personal injury, comprehensive & collision coverage. Certain criteria apply. Credit varies 10% - 20%.
- 5 Year Good Driving Discount: 8% non-fleet private passenger auto bodily injury, property damage, medical payment, collision & comprehensive: Certain criteria apply.

- Associate Discount: 8% credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies 7%-10%.
- 15% Ultra Preferred Tier (2) Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments. Eff. 11-22-04 PC076001

Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- Eff 10-15-04 PC072536

Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00 PC036563

Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.

- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1. Eff. 2-15-02

Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1. Eff. 2-15-02

Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when

insured elects to pay premium in full up front.

- Electronic Funds Transfer Deviation: Installment Fee \$1. Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts. Eff. 1-4-04 pc067647

GuldeOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual. Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met. Eff. 4-1-02

The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment. Eff. 4-1-02q

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts. Eff 2-1-94

Harleysville Mutual Insurance Company

- StarPak Program Discount – Certain criteria, credits vary. Eff 7-1-03 PC062196

Harleysville Preferred Insurance Company

- Preferred Customer Discount applies when the insured meets qualifying rating and/or certain characteristics credit varies.
- StarPak Program Discount - Certain criteria, credits vary. Eff 7-1-03 PC062197

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.) Eff. 4-15-03

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met. Eff. 4-1-03

Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

Horace Mann Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment fees are based on the number of installments.
- Installment Payments - No charge on first installment for new business policies written on an installment Payments basis.
- Eff 7-1-04 PC070873

Horace Mann Property & Casualty Insurance Company

- Deviation on non-fleet private passenger auto rates by territory Credit varies.
- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 6% deviation when certain criteria is met.
- Deviation on BI and PD premium 4%; if insured is a member in good standing of a sponsoring education association and the policy is completely voluntary. No deviation will apply if the policy has comp & Phys Dam only.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies

- Electronic Funds Transfer - The Installment fees are based on the number of Installments.
- Installment Payments - No charge on first Installment for new business policies written on an Installment payment basis.
- Credit Rating Deviation: credit 5% if certain criteria is met.
- Eff. 05-01-04 PC069814

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies. Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met. Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Fallure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
 - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
 - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
 - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
 - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
 - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
 - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
 - Installment payment plans fees waived for GMAC insurance employees.
 - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have b/lpd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC Insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Integon Indemnity Corporation

Non Preferred Program

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC Insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Integon National Insurance Company

Preferred Program

- 6% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on multi-car policies in the ultra-preferred underwriting tier where the policy has "0" SDIP points and married drivers with 14-43 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 6% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 4% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies with proof of prior limits of 100/300 or higher. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 20% on all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more of the following: a) prayer for judgement continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier where any driver has one or more at fault accident. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.06 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies where there is an operator with 4 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, UM, UIM, Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 10% factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra-preferred underwriting tier. Applies to 1) GMAC mortgage customers 2) GMAC auto loan customer 3) GMAC auto lease customer 4) GM Credit card customer 5) GM Demand /Smart Note Customer 6) GM Employee/retire or member of an approved employee group 7) Save our students member.
- 1.08 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 50/100. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 12% factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 250/500. Deviation available only is risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with 2 to less than 3 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.

- 1.05 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 25% applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an ultra credit score. . Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with no proof of prior insurance. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.
- 30% factor applies on all non-fleet priv pass auto BI, PD, med pay, UM/UIM in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 4% on all non-fleet priv pass auto Comp and Coll Insurance rates on multi car policies in the ultra preferred u/w tier where the policy has '0' SDIP points and married drivers with 14-43 years of driving experience. . Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 25% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 12% on all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's u/w guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than ncrb rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet priv pass auto comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.22 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 1 year driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.18 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 1 to less than 2 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.
- 1.18 factor applies to all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist, comp and coll rates on policies in the ultra preferred underwriting tier. Applies only to policies where there is an operator with less than 3 to less than 4 years driving experience. If the resulting rate is equal to or greater than the NCRB rates, the policy is ineligible for any deviation.

Non-Preferred Program

- 58% non fleet private passenger auto BI & PD liability for single car with 12-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 47% non fleet private passenger auto BI & PD liability for multi car with 12-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 5.7% non fleet private passenger auto physical damage for 5 or more SDIP pts. Non owner policies do not qualify.

Both Preferred and Non-Preferred Programs

- Installment Payment plan fees waived for GMAC Insurance employees – both programs.
- 3% on all non-fleet priv pass auto bi, pd, med pay, uninsured motorist and underinsured motorist rates on all policies eligible for voluntary liav under rthe company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- PC070782 Eff 04-25-04

Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%. Eff. 7-1-03

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount. Eff. 9-1-00

Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
 - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience. Eff. 4-1-99

Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.

- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Anti-lock brake system - 1% non-fleet private passenger automobile bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 - 1st installment of installment plan.
- Multi Car Discount: 7% for collision coverage and deviate an additional 5% for liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation, credit varies. Eff. 7-1-03

LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment. Eff. 7-11-03

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply. Eff 7-1-03

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy). Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction.
- Eff. 7-1-03

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met. Eff. 11-2-00

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met. Eff. 7-1-03

Montgomery Mutual Insurance Company

- Deviation Withdrawn Eff. 10-15-02

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines. Eff. 10-1-85

Mutual Service Casually Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle. Eff. 6-7-95

National Alliance Insurance Company

- Deviation is withdrawn. Eff. 10-16-02

National Grange Mutual Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.

- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each Installment for 1st policy. \$1 Charge each Installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met. Eff. 2-6-95
- *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor varies by driving record.
- Unverifiable Driving History Deviation.
- Eff. 12/6/04 PC 077167

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation: 1/2% applies to medical payments only.
- Home and Car Deviation/Homeowner Deviation: Applies to auto bodily injury, property damage, comprehensive & collision: Credit varies depending on combination of deviation & territory.
- Multi-Car Rating Factor N.C. Rate Bureau shall apply when certain conditions are met.
- Miscellaneous Vehicle Deviation: 5% applies to bodily injury, property damage, comprehensive & collision.
- Preferred Driver Deviation 10% applies to BI, PD, Comprehensive and Collision coverages – if certain criteria is met.
- Combined deviation: BI, PD, COMP, COLL, AND MED PAY. Not applicable to motorcycles, antique or classic autos, or any vehicle not subject to the SDIP. Eff. 7-1-03

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – applies to new private passenger auto business for BI, PD, Med Pay and Collision coverages. Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation – 3% deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insured is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation – applies to BI, PD, Med Pay, and Coll according to certain criteria.
- Intra-Agency Transfer Deviation – 6% deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and 3% dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation – 4% applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation – 4% applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.

- Miscellaneous Vehicle Deviation – 5% deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation – 4% deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Effective 11-1-04 PC074176

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older. Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liab devs is equal to or greater than 3%.
- Eff. 7-1-03

New York Central Mutual Fire Insurance Company

- Withdrawn Eff 12-8-03

Newark Insurance Company

- Withdrawn Eff. 10-24-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- See exceptions pages 1-30 on file with the NC Department of Insurance.
- Effective 10-1-04 PC073969

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust. Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply. Eff. 9-1-00

Omnifund Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
 - Driving while under the influence of drugs.
 - Instructing while under the influence.
 - Aiding and abetting or felony using a motor vehicle.
- Deviation for single car, not all operators are married, 12-26 SDIP pts., least experienced operator has 5-60+ yrs. licensed driving experience. Credit varies 5%-52%.
 - Deviation for multi car, not all operators are married, 12-20 SDIP pts., least experienced operator has 5-59 yrs. licensed driving experience. Credit varies 5%-37%.
 - Deviation for single car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies 14%-46%.
 - Deviation for multi car, married, 12-20 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Credit varies 14%-41%.
 - Deviation for single car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.
 - Deviation for multi car, not all operators, married, 17-26 SDIP pts., least experienced operator has 5-13 yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%-13%.
 - Deviation for multi car, married, 21-26 SDIP pts., least experienced operator has 5+ yrs. licensed driving experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership. Credit 5%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 5% deviation for single car, with 4-6 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.

Applies to policies, six months proof of prior auto insurance or proof of homeownership.

- 5% deviation for single car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% deviation for multi car, with 4-6 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
- 6% deviation for multi car, with 7-12 SDIP pts. where driver with least licensed driving experience has 7-59 yrs. of driver experience.
- 5% non fleet private passenger auto bodily injury increase limit of 50/100.
- 5% non fleet private passenger auto bodily injury increase limit of 100/300.
- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other liability deviation that does not require the existence of prior insurance or homeownership.
- 5% if the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Premium financed business does not qualify for the deviation.
- 7.5% deviation for policies obtained through one of the Hartford Financial Services Groups Affinity based marketing channels.
- 20% for policies with 7 or more SDIP pts., where driver with least licensed driving experience has 7+ yrs. of driver experience. Applies to qualifying policies regardless of prior auto insurance or homeownership.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger other than collision & collision.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. Driving while under the influence of drugs.
 - f. Instructing while under the influence.
 - g. Aiding and abetting or felony using a motor vehicle.
- Deviation for single car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5-9 or more yrs. of driver experience. Credit varies 5%-46%.
 - 5% deviation for single car, unmarried driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
 - Deviation for single car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. or more of driver experience. Credit varies 14%-46%.
 - 5% deviation for single car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
 - 5%-18% deviation for multi car, unmarried driver with 12-16 SDIP pts. where driver with least licensed driving experience has 5-13 yrs. of driver experience..
 - 5%-10% deviation for multi car, unmarried driver with 17-26 SDIP pts. where driver with least licensed driving experience has 5-13 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.
 - 5%-37% deviation for multi car, unmarried driver with 12-20 SDIP pts. where driver with least licensed driving experience has 14 or more yrs. of driver experience.
 - 14%-41% deviation for multi car, married driver with 12-20 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience.
 - 5% deviation for multi car, married driver with 21-26 SDIP pts. where driver with least licensed driving experience has 5 or more yrs. of driver experience. Applies to policies, six months proof of prior auto insurance or proof of homeownership.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger other than collision & collision.

- 20% deviation with 7 or more SDIP pts. where driver with least of licensed driving experience has 7 or more yrs. of driver experience. Deviation applies to all qualifying policies regardless of the existence (or non existence) of prior auto insurance or homeownership.
- 15%, if insured presents six months proof of prior auto insurance or proof of homeownership. The cumulative deviation only applies to policies that qualify for any other physical damage deviation that does not require the existence of prior insurance or homeownership.
- 5% If the insured has a qualifying homeowners policy with a member company of The Hartford Financial Services Group. Form 4 does not qualify for deviation.
- 5% if the insured pays their policy in full. Premium financed business does not qualify for the deviation. Eff. 2-1-00
- Base rate deviation by territory: Factor varies 0.66 - 0.74.

OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.

- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis. Eff. 11-20-01

OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation. Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount: Varied credit of 5% - 15% if the operators are age 55 - 74 yrs. of age.
- Multi-Car deviation, comprehensive and collision.
- Owners Discount: More than 14 yrs. driving experience: 2.5% BI, PD & MP; 2.5% Comprehensive; 2.5% Collision.
- Auto/Home Discount: Certain Criteria Apply: 10% BI, PD, MP, Comprehensive & Collision.
- Life/Auto Discount: Named insured must have a life insurance policy with Auto Owners in addition to auto policy: 5% BI, PD, MP, Comprehensive & Collision.
- Accidental Death Indemnity.
- Total Disability Indemnity.
- PC072355 Eff 7-22-04

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision. Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations. Eff. 7-1-03

Pearless Insurance Company

- 7% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. The policy must be a part of Personal Protector Program.
- 6% discount on BI, PD, and MED PAY coverages on risks in territories 11,13,14,16,17,18,24,25,31,32,33,47,51, and 77 in the Supreme Tier.
- 10% discount on BI, PD, AND MED PAY coverages on risks in terr 15 and 52 in the Supreme Tier
- 5% discount on Comp and Coll coverages on risks in terr 11,13,14,16,17,18,24,25,31,32,33,47,51,77 in the Supreme Tier.
- 8% discount on Comp and Coll coverages on risks in terr 15 and 52 in the Supreme Tier.
- 10% discount on BI PD Med Pay Comp and Coll coverages on risks with a cpattract score greater than 824 in the Supreme Tier.
- 6.4% discount on BI, PD, m Med Pay, Comp and Coll, coverages on risks with a cpattract scored greater than 824 in the Standard Tier.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Eff. 08-1-04 PC070955

Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments. Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit: 5% applied to final auto premium when homeowners is written through the same company & certain criteria is met.
- 5% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision if Pennsylvania National Mutual Casualty is unable to write homeowners due to exposure of windstorm or

hall.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured motorist, comprehensive & collision when principal operator is age 55 or over & all drivers are licensed more than 3 yrs.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Program. Credit varies.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Advantage Program. Credit varies. Eff 01-01-04 pc065111

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Multi-Policy: Credit varies 5%-10% when criteria is met.
- Installment Payments: \$1 charge for installment payments. Eff. 7-1-03

Phoenix Insurance Company

- 5% deviation for liability coverages and a 5% deviation for physical damage coverages will be applied to voluntary private passenger automobiles.
- 9% Account Discount applies when both voluntary non-fleet private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto, pickups, vans & classic auto's bodily injury, property damage, medical payments & collision for single car policy and have more than one private passenger auto insured with The Travelers. 30% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for collision coverage for single car policy and have more than one private passenger auto insured with The Travelers. 10% deviation on non-fleet private passenger auto, pickups, vans & classic auto's for comprehensive, fire/theft and theft/fire, and cac coverages for those insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- 3% credit will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six or more consecutive years. Eff 7-1-03 PC 062966

Progressive American Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

1. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at fault accident and more than zero SDIP points.
2. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at fault accidents and more than zero SDIP points.
3. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at fault accidents and more than zero SDIP points.
4. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at fault accident and more than zero SDIP points.
5. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at fault accidents and more than zero SDIP points.
6. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at fault accidents and more than zero SDIP points
7. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points.
8. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points.
9. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
10. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
11. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
12. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
13. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
14. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines
15. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.

16. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
17. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
18. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
19. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
20. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines.
21. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
22. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines.
23. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines; or with a driver whose driving record cannot be verified.
24. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators.
25. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators.
26. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators.
27. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators.
28. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
29. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured.
30. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured.
31. Territory factors for non-fleet private passenger auto bodily injury, property damage and medical payments rates:

<u>Territory Factor</u>	
11	1.21
13	1.07
14	1.11
15	1.00
16	1.14
17	1.19
18	1.17
24	1.21
25	1.24
26	1.18
31	1.20
32	1.19
33	1.12
40	1.10
41	1.04
43	1.21
47	1.09
51	1.25
52	1.13

32. The \$3 installment fee will be waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
33. Policies paying installment fees by electronic funds transfer will receive a \$1 installment fee instead of the \$3 installment fee.

34. Driver group factors for non-fleet private passenger auto bodily injury, property damage and medical payments rates:

Driver Group	Factor
16	1.08
15	1.15
14	1.23
13	1.34
12	1.40
11	1.50
10	1.56
9	1.66
8	1.76
7	1.87
6	1.98
5	2.13
4	2.29
3	2.53
2	2.80
1	3.25

35. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for liability deviation 37. See chart on file with the North Carolina Department of Insurance PC072283.
36. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for liability deviation 37. See chart on file with the North Carolina Department of Insurance PC072283.
37. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP point violation that is not one of the following:
- manslaughter or negligent homicide,
 - prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing,
 - failure to stop and render aid when involved in an accident resulting in bodily injury or death,
 - transporting illegal intoxicating liquors by motor vehicle.

See chart on file with the North Carolina Department of Insurance PC072283.

38. Deviations for proof of homeownership and/or payment in full on non-fleet private passenger auto bodily injury, property damage and medical payments rates.

Single Car

	<u>Paid in Full only</u>	<u>Home Ownership only (excluding mobile home)</u>	<u>Paid in Full and Home Ownership</u>
<u>Underwriting Market</u>			
Ultra-preferred	8%	2%	8%
Preferred	8%	2%	8%
Standard	8%	3%	8%
Middle Market	8%	4%	9%
Non-Standard	8%	4%	9%

Multi Car

	<u>Paid in Full only</u>	<u>Home Ownership only (excluding mobile home)</u>	<u>Paid in Full and Home Ownership</u>
<u>Underwriting Tier</u>			
Ultra-preferred	8%	none	8%
Preferred	8%	none	8%
Standard	8%	none	8%
Middle Market	8%	2%	8%
Non-Standard	8%	2%	8%

PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points.
2. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points.
3. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accident and more than zero SDIP points.
4. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points.
5. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points.
6. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points.
7. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified.
8. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines.
9. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
10. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
11. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines.
12. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines.
13. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines.
14. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators.
15. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators.
16. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators.
17. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators.
18. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with an operator with less than 5 years licensed driving experience who is not the principal named insured.
19. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years licensed driving experience who is not the principal named insured.
20. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years licensed driving experience who is the principal named insured.
21. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accident and more than zero SDIP points.
22. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accident and more than zero SDIP points.
23. 3% on non-fleet private passenger auto physical damage rates for policies with proof of home ownership (excluding mobile home). This deviation does not apply to policies that are paid in full.
24. Driver group factors for non-fleet private passenger auto physical damage rates:

<u>Driver Group</u>	<u>Factor</u>
1	3.50
2	2.80
3	2.32
4	1.82
5	1.65
6	1.65
7	1.65

8	1.57
9	1.53
10	1.42
11	1.41
12	1.41
13	1.28
14	1.16
15	1.16
16	1.10

25. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 30. (on file with the North Carolina Rate Bureau and the North Carolina Department of Insurance PC067187).
26. 9% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation does not apply to policies with proof of home ownership.
27. 12% on non-fleet private passenger auto physical damage rates for policies that are paid in full and have proof of home ownership (excluding mobile home).
28. Territory factors for non-fleet private passenger auto physical damage rates:

<u>Territory</u>	<u>Factor</u>
11	1.54
13	1.35
14	1.33
15	1.31
16	1.38
17	1.82
18	1.47
24	1.38
25	1.38
26	1.34
31	1.45
32	1.42
33	1.38
40	1.29
41	1.01
43	1.23
47	1.16
51	1.44
52	1.46

29. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for single car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 25. See chart on file with the North Carolina Department of Insurance PC072283
30. Deviations for Non-Credit Class, Financial Responsibility Tier, and SDIP points for multi-car policies. These deviations apply to risks with 12 or more SDIP points only when those risks are not eligible for physical damage deviation 25. See chart on file with the North Carolina Department of Insurance PC072283)

Eff 7-1-04 PC072283

Progressive Northern Insurance Company

LIABILITY

1. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in the territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Territory	Factor
11	2.09
13	1.80
14	1.92
15	1.55
16	1.90
17	1.71
18	1.86
24	2.07
25	1.94
26	2.09
31	1.85
32	1.75
33	1.84
40	1.81
41	1.81
43	2.04
47	1.75
51	1.91
52	1.80

2. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.25
2	2.80
3	2.53
4	2.29
5	2.13
6	1.98
7	1.87
8	1.76
9	1.66
10	1.56
11	1.50
12	1.40
13	1.34
14	1.23
15	1.15
16	1.08

3. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, a single car, and the SDIP points shown in the table "Liability Single Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.
4. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, multiple cars, and the SDIP points in Table "Liability – Multi-Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.
5. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with DWI, single car & multiple cars, and the SDIP points shown in table "Liability – Single and Multi-car with DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072284.
6. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.

7. 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
8. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
9. 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
10. 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
11. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
12. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
13. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
14. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
25. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

27. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
46. There will be a \$1 per installment fee for policies utilizing electronic funds transfer as the method of payment.

PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. The following factors apply to non-fleet private passenger auto physical damage rates for risks garaged in territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

Territory	Factor
11	1.92
13	2.35
14	2.16
15	2.16
16	2.07
17	2.14
18	2.25
24	2.26
25	2.06
26	2.25
31	2.06
32	2.01
33	2.18
40	1.99
41	2.11
43	2.35
47	2.15
51	2.05
52	2.14

2. The following factors apply to non-fleet private passenger auto physical damage rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.56
2	2.83
3	2.62
4	2.17
5	1.99
6	1.84
7	1.76
8	1.64
9	1.56
10	1.48
11	1.40
12	1.31
13	1.25
14	1.18
15	1.11
16	1.06

3. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have a single car, No DWI, & the SDIP points shown in the table "Physical Damage – Single Car, No DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.

4. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have No DWI, multiple cars, 1 vehicle with collision coverage, & the SDIP points shown in Table "Physical Damage Multi-car, No DWI, 1 vehicle with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.
5. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 with No DWI, multiple cars, 2+ vehicles with collision coverage & the SDIP points shown in table "Physical Damage Multi-car, No DWI, 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.
6. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, a single car & the SDIP points shown in table "Physical Damage Single Car with DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.
7. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, multiple cars, 1 or more vehicles with collision coverage, & the SDIP points shown in table "Physical Damage, Multi-car with DWI, 1 or 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072284.
8. 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
9. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
10. 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
11. 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
12. 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
13. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
14. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

22. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
25. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.08 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.27 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.19 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.49 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.04 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.14 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.25 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.12 factor applies to non-fleet private passenger physical damage rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

41. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Effective 7-1-04 PC072284

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts.
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
- Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
- Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
- Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.

- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
- Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- Transporting illegal intoxicating liquors by motor vehicle.

- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
- 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction. Eff. 7-1-99

Progressive Southeastern Insurance Company

LIABILITY

- The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for risks garaged in the territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Territory	Factor
11	2.04
13	1.75
14	1.87
15	1.51

16	1.8
17	1.66
18	1.81
24	2.01
25	1.89
26	2.04
31	1.80
32	1.71
33	1.79
40	1.76
41	1.76
43	1.98
47	1.7
51	1.86
52	1.75

2. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.25
2	2.80
3	2.53
4	2.29
5	2.13
6	1.98
7	1.87
8	1.76
9	1.66
10	1.56
11	1.50
12	1.40
13	1.34
14	1.23
15	1.15
16	1.08

3. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, a single car, and the SDIP points shown in the table "Liability Single Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.
4. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies not eligible for liability deviation component # 5 which have no DWI, multiple cars, and the SDIP points in Table "Liability - Multi-Car, No DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.

5. The following factors apply to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with DWI, single car & multiple cars, and the SDIP points shown in table "Liability – Single and Multi-car with DWI" (see chart). If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation: Chart on file with the North Carolina Department of Insurance PC072285.
6. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
7. 4% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
8. 5% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle market underwriting tiers and for single car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
9. 6% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
10. 3% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the standard underwriting tier. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
11. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred and ultra-preferred underwriting tiers that are not paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
12. 2% on non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the non-standard and middle underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
13. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
14. 1.14 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.23 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.20 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.10 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.35 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.30 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
24. 1.12 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

25. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.15 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.06 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.05 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.13 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.08 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.33 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.03 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.07 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.04 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.17 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines, or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.09 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.28 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.34 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.94 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.16 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.29 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.50 factor applies to non-fleet private passenger auto bodily injury, property damage and medical payments rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. There will be a \$1 per instalment fee for policies utilizing electronic funds transfer as the method of payment.

PHYSICAL DAMAGE

Physical damage deviations are available only if a risk is eligible for non-consent physical damage under the company's underwriting guidelines.

1. The following factors apply to non-fleet private passenger auto physical damage rates for risks garaged in territories listed in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the risk is ineligible for any deviation.

Territory	Factor
11	1.76
13	2.16
14	1.98
15	1.98
16	1.90
17	1.96
18	2.06
24	2.07
25	1.89
26	2.06
31	1.89
32	1.84
33	2.00
40	1.83
41	1.94
43	2.16
47	1.97
51	1.88
52	1.96

2. The following factors apply to non-fleet private passenger auto physical damage rates for policies with the average driver groups shown in the table below. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Average Driver Group	Factor
1	3.56
2	2.83
3	2.62
4	2.17
5	1.99
6	1.84
7	1.76
8	1.64
9	1.56
10	1.48
11	1.40
12	1.31
13	1.25
14	1.18
15	1.11
16	1.06

3. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have a single car, No DWI, & the SDIP points shown in the table "Physical Damage - Single Car, No DWI" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
4. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 which have No DWI, multiple cars, 1 vehicle with collision coverage, & the SDIP points shown in Table "Physical Damage Multi-car, No DWI, 1 vehicle with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.

5. The following factors apply to non-fleet private passenger auto physical damage rates for policies not eligible for Physical Damage deviation component # 6 with No DWI, multiple cars, 2+ vehicles with collision coverage & the SDIP points shown in table "Physical Damage Multi-car, No DWI, 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
6. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, a single car & the SDIP points shown in table "Physical Damage Single Car with DWI" (next 2 pages). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
7. The following factors apply to non-fleet private passenger auto physical damage rates for policies with DWI, multiple cars, 1 or more vehicles with collision coverage, & the SDIP points shown in table "Physical Damage, Multi-car with DWI, 1 or 2+ vehicles with Collision Coverage" (see chart). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines: Chart on file with the North Carolina Department of Insurance PC072285.
8. 5% on non-fleet private passenger auto physical damage rates for policies that are paid in full. This deviation applies only to policies without proof of homeownership. Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
9. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
10. 5% on non-fleet private passenger auto physical damage rates for single car policies in the standard, preferred, and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
11. 6% on non-fleet private passenger auto physical damage rates for single car policies in the non-standard and middle market underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
12. 11% on non-fleet private passenger auto physical damage rates for multi-car policies in the standard, preferred and ultra-preferred underwriting tiers that are paid in full. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
13. 5% on non-fleet private passenger auto physical damage rates for multi-car policies in the nonstandard and middle market underwriting tiers. This deviation applies only to policies with proof of homeownership (excluding mobile home). Deviation applies only if the risk qualifies for non-consent physical damage rates under the company's underwriting guidelines.
14. 1.10 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
15. 1.14 factor applies to non-fleet private passenger auto physical damage rates for single car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
16. 1.23 factor applies to non-fleet private passenger auto physical damage rates for single car policies with three or more at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
17. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
18. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with two at-fault accidents and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
19. 1.12 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with three or more at-fault accident and more than zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
20. 1.35 factor applies to non-fleet private passenger auto physical damage rates for policies with one or more major violations per company guidelines which are not assigned SDIP points or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
21. 1.15 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
22. 1.30 factor applies to non-fleet private passenger auto physical damage rates for single car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
23. 1.12 factor applies to non-fleet private passenger auto physical damage rates for single car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

24. 1.08 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
25. 1.15 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with zero SDIP points and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
26. 1.06 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with 1 SDIP point and two or more speed or minor violations per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
27. 1.08 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
28. 1.27 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
29. 1.19 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
30. 1.49 factor applies to non-fleet private passenger auto physical damage rates for single car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
31. 1.04 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
32. 1.14 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
33. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one speed or minor violation per company guidelines. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
34. 1.25 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies in the ultra-preferred underwriting tier with one or more of the following: at-fault accident, major violation per company guidelines, DWI violation class per company guidelines; or with two or more speed or minor violations per company guidelines or with a driver whose driving record cannot be verified. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
35. 1.07 factor applies to non-fleet private passenger auto physical damage rates for policies with 2-3 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
36. 1.25 factor applies to non-fleet private passenger auto physical damage rates for policies with 4-5 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
37. 1.30 factor applies to non-fleet private passenger auto physical damage rates for policies with 6-11 SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
38. 1.81 factor applies to non-fleet private passenger auto physical damage rates for policies with 12 or more SDIP points with one or more inexperienced operators. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
39. 1.12 factor applies to non-fleet private passenger physical damage rates for single car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
40. 1.40 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
41. 1.56 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with an operator with less than 5 years of licensed driving experience who is not the principal named insured. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
42. 1.10 factor applies to non-fleet private passenger auto physical damage rates for multi-car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
43. 1.20 factor applies to non-fleet private passenger auto physical damage rates for single car policies with one or more at-fault accidents and zero SDIP points. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

Providence Washington Insurance Company

Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Ulca Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11. Eff. 12-1-00
PC 036564

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met. Eff. 7-15-96 PC 034398

Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.

Effective 5-15-04 pc069376

Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.
Eff. 5-15-04 pc069375

Safeco Insurance Company of America

For deviations see North Carolina Department of Insurance Website www.ncdoi.com PC072366. Eff. 10/24/04

Safeguard Insurance Company

- Installment Payment Plan Payroll Deduction: \$3 charge waived.

Effective 5-15-03 pc069383

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment. Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperienced operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met. Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates. Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types). Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation. Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk. Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment. Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when Insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies. Eff. 1-27-03

South Carolina Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-52 yrs. of driving experience. 47%- 60% credit.
 - Deviation for multi- car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-42 yrs. of driving experience. 43% -55% credit.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. Driving motor vehicle while intoxicated.
- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 5% credit.
 - Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 3% credit.
 - Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 3% credit.
 - Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 1.5% credit.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 5% non-fleet private passenger auto comprehensive & collision for policies that are insured with South Carolina Insurance Company with no lapse in coverage between policies & have 12-20 SDIP pts. & all drivers licensed 5-52 yrs.
 - 15% non-fleet private passenger auto comprehensive & collision for policies with 12-20 SDIP pts. & all drivers licensed 5 - 52 yrs.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. Driving motor vehicle while intoxicated.
- 25% non-fleet private passenger auto comprehensive & collision for policies with 12 - 20 SDIP pts., all drivers licensed 5 - 52 yrs. & no driver with an at fault accident within the last 12 months preceding policy effective date. Eff.10-21-98

Southern Fire & Casualty Insurance Company – Withdrawn 1-1-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees. Eff. 7-1-00

Southern Insurance Company of Virginia

STANDARD PROGRAM

- 3% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for all operators in household who have 14-44 yrs of driving experience.
- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Devices Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5%

PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- 7% credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for all operators in household who have 14-44 yrs of driving experience.
- Multi-Car Discount: Certain Criteria apply.
- Downward deviation by territories: Applies to Comprehensive & Collision coverages: Credit varies 10%-25%.
- Recreational trailer rates for collision premium each additional \$1,000 varies per deductible.
- Loss Free Renewal Discount: Loss free yrs. 3-5 yrs.: Discount varies 5% - 10% for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- New Business Automobile Discount: 5% deviation applies to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision when criteria are met.
- Passive Restraint - Airbag Discount: Applies to med pay only: 20% credit when installed driver side only: 30% credit when installed in both front seat positions.
- Anti Lock Braking System Discount: 5% credit for BI and PD coverages when factory installed four wheel ABS.
- Anti Theft Devices Discount: 5% credit applies to comprehensive coverage for alarm only and active disabling devices: 15% credit for passive disabling devices.
- Account credit plan 5% Eff. 11-15-03

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision

premlums.

- **Mature Driver Discount:** Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a %% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premlums for the vehicle they principally operator.
- **Accident Free Discount:** 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premlums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously Insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- **Multi Policy Discount:** 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premlums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile. Eff. 5-1-03

Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - 11% when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - credit varies.
- Effective 9-1-04 PC074485

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 35% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured who is 55-69 yrs. of age and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Electronic Funds Transfer: \$1 monthly service charge per policy. Eff. 9-1-00

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems. Eff. 2-1-93

State Capital Insurance Company

- Installment Payment Plan: Waive initial installment charge.
- 10% credit applicable to auto policy when named insured has Homeowners policy with State Capital, Northwestern National, or American Professionals Insurance Company.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met. Eff. 1-1-01

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- 5%-15% - not applicable to motorcycle.
- 9% deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: 5% credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- 2% on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision: 30%
- Eff 8-15-04 PC073540

TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision. Eff. 3-1-98

Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 3% deviation when certain criteria is met.
- Member Only Deviation 1% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment payments by Electronic Funds Transfer shall be made on a monthly basis. For new business, the initial payment are 1/3 of the 6 month premium: the remaining monthly payment are of equal amounts. For renewals, there are equal monthly payments. The installment fees are based on the number of installments.
- Eff 7-1-04 PC070874

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage. Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates. Eff. 10-15-92

Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates. Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

Travelers Indemnity Company

- 9% Account Discount when Insured has private passenger auto policy & homeowners policy with The Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments; 30% collision; 10% for comprehensive, fire/fire, and theft/fire, theft and CAC coverage for those Insureds who have single car policy & have more than one private passenger auto with The Travelers.
- 3% Renewal Credit: Non-fleet private passenger auto rates if Insured has maintained auto coverage with the Travelers for last 6 or more consecutive yrs.
- 1% deviation for private passenger auto rates for employees of Multi-Line Insurance and Financial Services Institution.
- 1% for private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- 1% deviation for private passenger auto rates for North Carolina State University employees as part as of an Employer Payroll Deduction Premium Payment Plan. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of A Credit Union Family. Installment charge deleted.
- 1% deviation for private passenger auto rates for Employees of Research and Development Institutions. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of AAA Group. Installment charge deleted.
- 1% deviation for private passenger auto rates for employees of Phillip Morris Companies as apart as a payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – 9% account discount will be applied to all Insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto Insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: 3% non-fleet private passenger rates if Insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted. Eff. 7-1-03 PC062256

The Travelers Indemnity Company of Connecticut

- pricing Factors – 10% deviation for liability coverages and 10% deviation for property damage coverages will be applied to voluntary private passenger automobiles.
- Account Discount – 9% discount will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto Insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.

- Renewal Credit – 3% credit will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years. Eff. 7-1-03

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for Insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met. Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - 11% when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Effective 9-1-04 PC074486

Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.) Eff. 4-15-03

USAA Casualty Insurance Company

- Base Rate Deviation for liability and physical damage, extended transportation and towing & labor, and employee non-owned auto coverages - credit varies by territory.
- 5% non-fleet private passenger auto other than collision coverage for vehicles with active disabling anti-theft devices.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices & for vehicles equipped with a vehicle recovery system.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- 100% on rates for covered property coverage for trailers Insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 30% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bags both sides.
- 10% non-fleet private passenger auto medical payments coverage for vehicles equipped with passive seat belt both sides or drivers side only.
- 10% non-fleet private passenger auto liability & physical damage if principal operator is age 55 or older.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverage when criteria is met.
- Deviation on 6 month and annual short rate cancellation tables.
- 20% non-fleet private passenger auto medical payments coverage for vehicles equipped with air bag drivers side only.
- Extended Billing Plan and Regular Plan - no installment charge:
- Eff 9-28-04 PC074435

USAA General Indemnity Company

- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 100% deviation for trailers Insured for other than collision coverage.
- 100% deviation for vehicles Insured for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan: Regular Plan and Extended Plan - installment charge waived.
- PC071545 Eff 5-1-04

Underwriters Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory Installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply. Eff. 10-1-99

Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same Insured also has Homeowners Form HO-3 or HO-6. Eff. 9-5-89

Unisun Insurance Company

- Preferred Driver Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premium. Credit applies to each vehicles when criteria is met.
- Full Coverage Discount: 3% non-fleet private passenger auto bodily injury, property damage, medical payments collision & other than collision when criteria is met.
- Multi-Vehicle Discount: 5% additional credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Eff. 12-15-96

United Services Automobile Association

- Base Rate Deviation for liability and physical damage, extended transportation and towing & labor, and employees non-owned auto coverages - credit varies by territory.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with active anti-theft disabling devices or vehicles using steering wheel bar locks.
- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with a window identification system.
- 10% non-fleet private passenger auto other than collision coverage for vehicles with passive disabling anti-theft devices & vehicle recovery system.
- 100% private passenger non-fleet auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 10% non-fleet private passenger auto medical payments coverage for vehicles with passive seat belt restraint.
- 10 % non-fleet private passenger auto liability & physical damage rates if principal operator is age 55 & older.
- 100% on rates for covered property for trailers Insured for other than collision coverage.
- 100% on rates for customizing equipment coverage.
- 5% non-fleet private passenger auto collision for vehicles equipped with a daytime running light device.
- Safe Driver Incentive Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, other than collision, collision uninsured motorist, fire, theft & combined additional coverages.
- Deviation on 6 month & annual short rate cancellation tables.
- Extended Billing Plan: No service charge for Regular Plan or Extended Plan.
- Eff. 9-28-04 PC074434

United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.

- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for Insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for Insureds who are a participant through any of the USF&G Group Marketing Plans. Eff. 9-1-00

Unitrin Auto and Home Insurance Company

- Voluntary Liability Deviation – Bodily Injury and Property Damage credit varies by territory and tiers.
- Voluntary Physical Damage Deviation – Collision and Comprehensive credit varies by territory and tiers.
- Safety Equipment Discounts – Passive Restraint Discount – medical payments only – auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements. Credit varies according to installed equipment.
- Anti-lock Braking System Discount – 5% discount for single limit liability or bodily injury and property damage liability coverage shall be afforded for those private passenger auto equipped with a factory installed four wheel anti-lock braking system (abs).
- Extended Transportation Expenses Coverage-Package Plus Only \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge, \$50/\$1500 Increased transportation expenses coverage may be substituted for the \$30/\$900 limit on the package plus policy for an additional charge of \$12..
- Cancellation – Package Plus Only – compute return premium on a Pro Rata basis per chart.
- Classifications – Experienced Operator Credit
- Deferred Premium Payment Plans
- Network Discount – 7% discount applied to BI, PD, Med Pay, Coll & Comp if individual is a member of the Network Group.
- Anti-theft Devices – 5% alarm only and active disabling devices, 15% Passive Disabling Device.
- Premium Determination - Package Plus Only certain criteria apply, credit varies.
Eff 05-3-04 pc071376

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver. Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met. Eff. 12-1-00

Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.

- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts. Eff. 2-15-98

Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits. Eff. 7-1-03

Virginia Mutual Insurance Company

- Multi-car risk and drivers either occasional or principle having more than 10 years but less than 49 yrs driving experience and zero SDIP driving record points. Credit varies according to coverage. Eff. 2-15-04

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply. Eff. 9-1-00

Windsor Insurance Company

LIABILITY Applicable to non-fleet private passenger auto bodily injury, damage & medical payments coverage for all listed components.

Group I

12 point violation that is not one of the following:

- Manslaughter or negligent homicide.
- Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- Transporting illegal intoxicating liquors by motor vehicle.

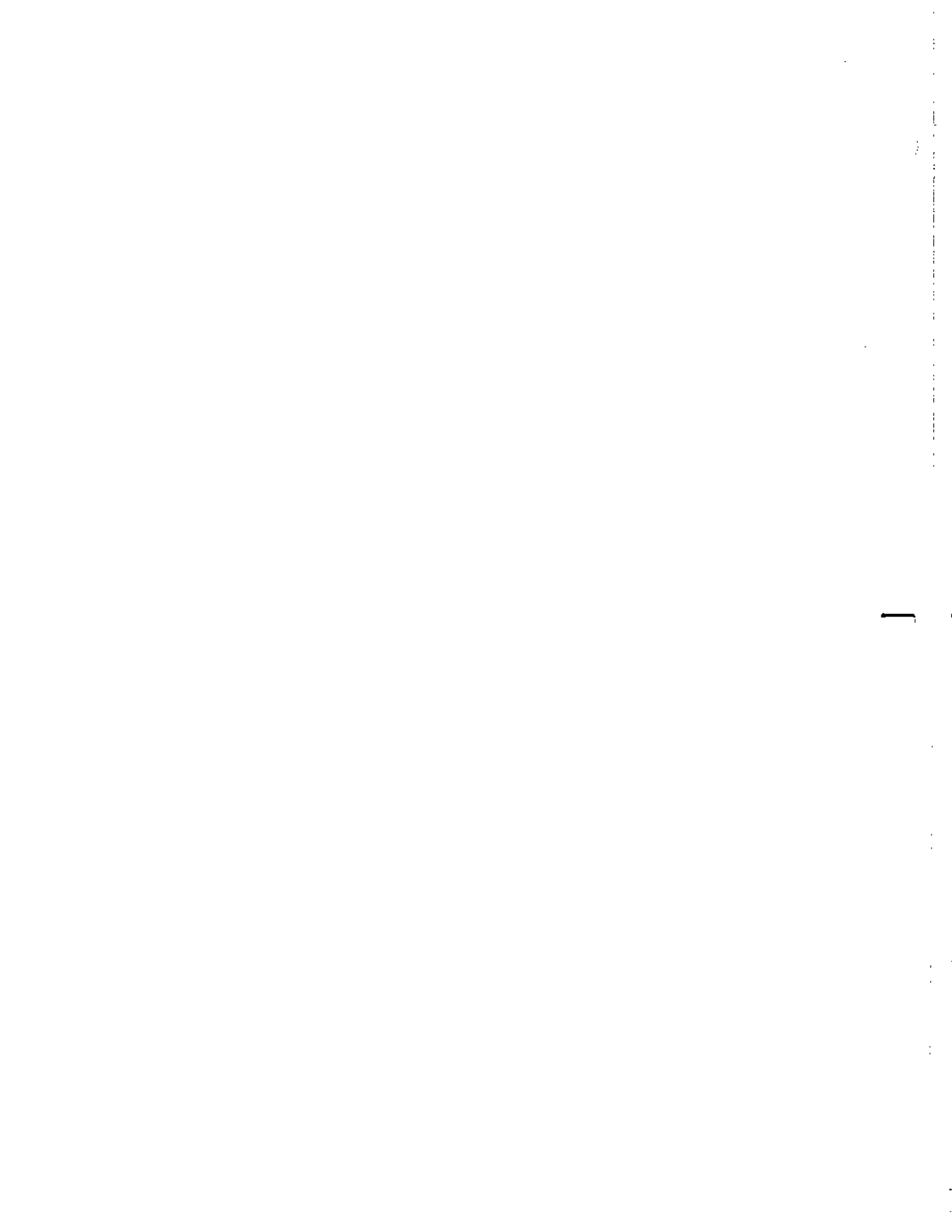
- Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 14% - 43%.
- Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 23% - 70%.
- Deviation for single car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
- Deviation for single car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 40% - 75%.
- Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 10% - 43%.
- Deviation multi-car policies, unmarried driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 20% - 70%.
- Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 28% - 70%.
- Deviation multi-car policies, married driver, 12-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 41% - 75%.
- 7% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.
- 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.
- 10% deviation applies to auto BI, PD and Med Pay when the total policy premium is paid with the application or renewal quote.
- 12% auto BI & PD policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
- 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.

- 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
- 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
- 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance.

Group II

Contain either no 12 point violation or a 12 point violation that is one of the following:

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
- Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
 - Deviation single-car policies, married driver, 2-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 2% - 34%.
 - Deviation single-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit 3% - 35%.
 - Deviation single-car policies, unmarried driver, 2-20 SDIP pts. & least experienced operator has 7-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 30%.
 - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% - 26%.
 - Deviation multi-car policies, married driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 1% - 28%.
 - Deviation multi-car policies, unmarried driver, 3-20 SDIP pts. & least experienced operator has 14-48 yrs. licensed driving experience. Credit varies 3% - 20%.
 - Deviation multi-car policies, unmarried driver, 4 - 20 SDIP pts. & least experienced operator has 5-13 yrs. licensed driving experience or 49-53 yrs. licensed driving experience. Credit varies 1% or 20%.
 - 10% deviation applies to auto BI, PD & Med Pay when the total policy premium is paid with the application or renewal quote.
 - 15% auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse & BI limit on the prior proof are higher than 25/50.
 - 10% deviation applies to auto BI & PD on Basic Program risks to policies with proof of 6 months prior auto insurance coverage with no lapse.
 - 3% deviation to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto insurance coverage with no lapse.
 - 8% deviation applies to BI & PD coverages on Elite Program risks presenting proof of 6 months prior auto coverage with no lapse & the BI limits on the prior proof are higher than 30/60.
 - 8% deviation applies to BI & PD coverages on risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
 - 8% deviation applies to BI & PD coverage on Elite Program risks presenting proof of home ownership with homeowners dec page, a homeowners dec page with expiration date less than 24 months old, property tax records, mortgage payment coupons or property deeds. Address listed on any form must match address on Windsor policy.
 - 5% deviation applies to BI, PD & med pay coverages on Elite Program risks when the total premium is paid with the application or the renewal quote.
 - 2% deviation applies to BI & PD coverages on Elite Program risks must reside in rented residence for which he or she can provide proof of contents insurance or must reside in an owned mobile home for which he or she can provide proof of homeowners insurance. Eff. 7-22-02



AUTOMOBILE As of 12-15-05

ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit: 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for single-car & multi-car policyholders for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 5-14-04 PC070179 [Filing Detail](#)

All America Insurance Company

- Withdrawn

Allstate Indemnity Company

Preferred Program

- Territory Deviations
- Tier Deviation: Certain criteria must be met.
- Years Licensed Deviation
- Accident Rating Deviation: Years since last accident 0 - 3+
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount
- New Car Discount
- The Good Hands People Discount
- Installment Payment Fee for Electronic Funds Transfer Deviation

Regular Auto Program

- Liability Coverage Deviations
- Pay Fee Deviation
- The Good Hands People Discount
- Eff 6/13/05 PC081967 [Filing Detail](#)

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.

- Effective 7-1-04 PC072554 [Filing Detail](#)

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 [Filing Detail](#)

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 [Filing Detail](#)

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, med pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 [Filing Detail](#)

American & Foreign Insurance Company

- Installment Payment Plan waiver.
- Eff. 5-15-04 PC068691 [Filing Detail](#)

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.

- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st Installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 [Filing Detail](#)

American Insurance Company

- See Progressive American Insurance Company

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
 - a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 [Filing Detail](#)

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

American Professionals Insurance Company

- Installment charge waived on Initial payment: \$3 charge for each installment thereafter: Applies to all policies.

Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.
Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American States Preferred Insurance Company

For deviations see North Carolina Department of Insurance Website
Eff. 10-1-05 PC085790 Filing Detail

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.
- Eff. 11-1-04 PC074206 Filing Detail

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Eff. 4-1-00

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments.
- Eff. 10-01-03

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.

d. Transporting illegal intoxicating liquors by motor vehicle.

- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
- 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
- Eff. 7-1-94

MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages all listed components. 6

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
 - 45% for multi car policies with 12-20 SDIP pts.
 - Eff. 11-1-95

Auto Owners Insurance Company

Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home: BI, PD, Med Pay, comprehensive & collision.
- Multi Policy Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Eff 8-1-05 PC084831 [Filing Detail](#)

Standard Program

- Multi Policy Discount: 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Life/Auto policy 5% non-fleet private passenger auto bodily injury, physical damage, med payments, comprehensive & collision.
- Accidental Death Indemnity
- Total Disability Indemnity
- Eff. 7-22-04 PC072354 [Filing Detail](#)

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

Builders Mutual Insurance Company

- 5% deviation on bodily injury, property damage, medical payments, comprehensive, & collision, if primary driver has at least 30 yrs. driving experience.
- Rating plan factor reduced by .05 for comprehensive & collision if the risk qualifies for multi car discount & has no inexperienced operator.
- Rating plan factor reduction by .05 for bodily injury, property damage, medical payments, comprehensive & collision, if the risk is classified as having 0 SDIP pts.
- 5% deviation on bodily injury & property damage, if the vehicle is equipped with anti-lock brakes.
- 5% deviation for comprehensive only, if vehicle is equipped with an active anti-theft device: 10% deviation, if vehicle is equipped with a passive anti-theft device.
- Eff. 10-1-99

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates.
- Eff. 5-28-87

CGU Insurance Company

- 5% Account Credit is applicable to Personal Auto Policies where named insured has his/her Homeowners (except Forms HO-1 & HO-4) Insurance in any of General Accident companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- Eff. 9-15-91

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
- Deviation (7.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation (12.5%) on BI, PD, Med Pay, Comp and Coll coverages for eligible Superior Drivers. Certain criteria apply.
- Eff 7-1-03 PC062332 [Filing Detail](#)

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Pricing Factors – deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Eff 3-20-05 PC079542 [Filing Detail](#)

The Cincinnati Insurance Company

- 0% non-fleet private passenger auto liability rate deviation.
- 40% non-fleet private passenger auto physical damage rate deviation.
- 10% non-fleet private passenger liability & physical damage rate deviation, if policyholder has package policy with Cincinnati Insurance Company.
- Installment Payment Plan charge waived for personal autos & autos written in conjunction with a homeowner policy.
- Eff. 7-1-03

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

Consolidated American Insurance Company

- 10% non-fleet private passenger comprehensive & 15% collision rates. Deviation applies multi-car risk, all classes except farm use classes. No inexperienced operators in household & 0 SDIP pts. applicable.
- Eff. 12-1-92

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.

- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when Insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag; 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices; 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01

Electric Insurance Company

- Preferred Rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Super Preferred rate Program Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Accident and Violation Free Discount: Credit varies 5% - 15% when criteria is met.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision for risks that meet Elfun Society Membership.
- 5% Mass Marketing Discount.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision if principal operator of vehicle is 55 yrs or older. Vehicle with inexperience operator surcharge is not eligible.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 1-20-04 PC066981 [Filing Detail](#)

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

Encompass Indemnity Company

- Effective 10-1-04 PC075213 [Filing Detail](#)

Encompass Indemnity Company Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC

Encompass Indemnity Company
Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210 [Filing Detail](#)

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operators are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 or newer model vehicles with factory-installed anti-lock brake systems on all four wheels.
- 5% non-fleet private passenger comprehensive for all vehicles with etching a vin or serial number or active anti-theft devices.
- 10% non-fleet private passenger comprehensive for all vehicles with alarm or passive anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs. Deviation 1 pt. - 15%, 2 pts. - 40%, 3 pts. - 65%.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Non-fleet private passenger auto base rate deviation for bodily injury, property damage, medical payments, comprehensive & collision coverage by territory. Credit varies.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage when insured has both comprehensive & collision.
- Pro rata cancellation for all policies.
- Multi-Policy Discount: 10% credit when Homeowner or Mobile homeowner policy is written with The Erie and named insured must be same on all policies.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Effective 3-1-05 PC079920 [Filing Detail](#)

Erie Insurance Exchange

- Base Rate Deviation by territory for bodily injury, property damage, medical payments, comprehensive & collision territory. Credit varies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device; 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation: 5% deviation other than full coverage.
- Multi Policy Discount: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Eff 3-1-05 PC079918 [Filing Detail](#)

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.

- Effective 10-1-04 PC073968 [Filing Detail](#)

Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833 [Filing Detail](#)

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945 [Filing Detail](#)

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886 [Filing Detail](#)

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners

policies are purchased through USF&G Group when certain criteria is met.

- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658 [Filing Detail](#)

Firemans Fund Insurance Company of Wisconsin

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured/underinsured motorist, comprehensive & collision.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator age 55 and older with no inexperienced operators.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principal operator(s) have a minimum of 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage medical payments, comprehensive & collision for renewal discount where all operators have been written in the Fireman's Fund Direct program for at least 3 yrs. & are free of chargeable accidents & free of convictions.
- Eff. 11-24-97

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

First Liberty Insurance Corporation

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% when all operators are 55 or older, no inexperienced operators.

- 1% non-fleet private passenger auto bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 on first installment of installment plan.
- Multi Car Discount: 4% for collision only and 5% for Liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability and 18% applies to phys dam per vehicle when insured maintains an eligible Homeowners policy.
- Single liability limits deviation by territory, credit varies.
- Split liability limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation by territory, credit varies.
- Short Rate Cancellation Deviation.
- Eff. 9-26-05 PC086161 [Filing Detail](#)

First National Insurance Company of America

- For deviations see North Carolina Department of Insurance Website
- Eff. 10-1-05 PC085787 [Filing Detail](#)

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Eff. 5-1-05 PC081831 [Filing Detail](#)

General Insurance Company of America

- For deviations see North Carolina Department of Insurance Website.
- Effective 10-1-05 PC085788 [Filing Detail](#)

Generali - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

Globe Indemnity Company

- Installment Payment Plan - Agency Payroll Deduction: Certain criteria apply.
- Eff. 5-15-04 PC069382 [Filing Detail](#)

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision and Liability limit of 300/300 by territory, credit varies.
- 10% non-fleet private passenger auto comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- 8% deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit: Non-fleet private passenger auto bodily injury, property damage, uninsured motorist, medical payments, personal injury, comprehensive & collision coverage. Certain criteria apply. Credit varies 10% - 20%.
- 5 Year Good Driving Discount: 8% non-fleet private passenger auto bodily injury, property damage, medical payment, collision & comprehensive: Certain criteria apply.
- Associate Discount: 8% credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies 7%-10%.

- 15% Ultra Preferred Tier (2) Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Eff. 5-1-05 PC081830 [Filing Detail](#)

Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 [Filing Detail](#)

Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 [Filing Detail](#)

Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 [Filing Detail](#)

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.

- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for Insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for Insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11, 13, 15, 18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02

Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.

- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.
- Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
- Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- Transporting illegal intoxicating liquors by motor vehicle.
- DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647 [Filing Detail](#)

GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02q

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal

operator of vehicle is age 55 or older.

- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

Harleysville Mutual Insurance Company

- StarPak Program Discount – Certain criteria, credits vary.
- Eff 7-1-03 PC062196

Harleysville Preferred Insurance Company

- Preferred Customer Discount applies when the insured meets qualifying rating and/or certain characteristics credit varies.
- StarPak Program Discount - Certain criteria, credits vary.
- Eff 7-1-03 PC062197 [Filing Detail](#)

Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093 [Filing Detail](#)

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091 [Filing Detail](#)

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 4-1-03

Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

Horace Mann Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 2% deviation when certain criteria is met.
- Member Only Deviation 2% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies

- Electronic Funds Transfer - The installment fees are based on the number of installments.
- Installment Payments - No charge on first installment for new business policies written on an installment Payments basis.
- Eff 7-1-04 PC070873 [Filing Detail](#)

Horace Mann Property & Casualty Insurance Company

- Territory Deviation
- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation
- Member only Deviation
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The Installment fees are based on the number of Installments.
- Installment Payments - No charge on first Installment for new business policies written on an Installment payment basis.
- Credit Rating Deviation: credit 5% if certain criteria is met.
- Eff. 6/15/05 PC081334 [Filing Detail](#)

IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06 [Filing Detail](#)

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage: 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
 - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
 - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
 - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
 - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
 - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
 - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
 - Installment payment plans fees waived for GMAC insurance employees.
 - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
 - Eff. 7-1-03

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon Indemnity Corporation

Non Preferred Program

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon National Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 10-01-05 **PC085453 Filing Detail**

Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.

- (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/ptd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00

Lançer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
 - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
 - Eff. 4-1-99

Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Anti-lock brake system - 1% non-fleet private passenger automobile bodily injury & property damage equipped with factory installed anti-lock braking system on all four wheels.
- Waive additional charge of \$3 - 1st installment of installment plan.
- Multi Car Discount: 7% for collision coverage and deviate an additional 5% for liability coverage.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.

- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Comprehensive and collision deviation, credit varies.
- Short Rate Cancellation deviation.
- Eff. 9-26-05 PC086160 Filing Detail

LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no Inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named Insured has both auto and homeowners insurance with Merastar or its designated joint venture business partners.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction; \$1.00 installment charge for policies paid by Auto Bank Draft.
- Eff. 11/15/05 PC088277 [Filing Detail](#)

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 [Filing Detail](#)

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

Montgomery Mutual Insurance Company

- Deviation Withdrawn
- Eff. 10-15-02

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

National Alliance Insurance Company

- Deviation is withdrawn.
- Eff 10-16-02

National Grange Mutual Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria

- apply.
- Various discounts for named Insured insurance score.
- Installment Payment Plan: \$3 Charge each Installment for 1st policy. \$1 Charge each Installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily Injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 [Filing Detail](#)

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily Injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff. 10-1-03 PC 064662 [Filing Detail](#)

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor varies by driving record.
- Unverifiable Driving History Deviation.
- Eff. 11-1-05 PC085030 [Filing Detail](#)

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Eff. 11-1-05 PC085030 [Filing Detail](#)

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – applies to new private passenger auto business for BI, PD, Med Pay and Collision coverages. Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation – 3% deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named Insured is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation – applies to BI, PD, Med Pay, and Coll according to certain criteria.
- Intra-Agency Transfer Deviation – 6% deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and 3% dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation – 4% applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named Insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation – 4% applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation – 5% deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any

vehicles not subject to the Safe Driver Insurance Plan.

- Driver Class Deviation – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Natlwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation – 4% deviation to BI, PD, Med Pay and Coll for Priv Pass if the named Insured is also the named insured in any of the Nationwide Companies Insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviation – 35% deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience and operates certain motorcycle types.
- Effective 4-1-05 PC080609 [Filing Detail](#)

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other llav devs is equal to or greater than 3%.
- Eff. 7-1-03

New York Central Mutual Fire Insurance Company

- Withdrawn
- Eff 12-8-03

Newark Insurance Company

- Withdrawn
- Eff. 10-24-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- See exceptions pages 1-30 on file with the NC Department of Insurance.
- Eff 10-1-04 PC073969 [Filing Detail](#)

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).

- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperienced operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Century Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 PC041974 [Filing Detail](#)

OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount: Varied credit of 5% - 15% if the operators are age 55 - 74 yrs. of age.
- Multi Policy Auto/Home Discount: BI, PD, MP, Comprehensive & Collision.

- Multi policy Life/Auto Discount for BI, PD, MP, Comprehensive & Collision.
- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Eff 8-1-05 PC084832 [Filing Detail](#)

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03

Peak Insurance Company

Liability – All deviation applicable to no-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 65% deviation to single car with 12 SDIP points.
- 50% deviation to single car with 13-15 SDIP points.
- 30% deviation to single car with 16-20 SDIP points.
- 49% deviation to single car with 12-15 SDIP points.
- 33% deviation to single car with 16-20 SDIP points.
- Eff 2-28-05 PC079090 [Filing Detail](#)

Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAtract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAtract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAtract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAtract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAtract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAtract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.

- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0 % discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505 [Filing Detail](#)

Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) Insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit: 5% applied to final auto premium when homeowners is written through the same company & certain criteria is met.
- 5% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, comprehensive & collision if Pennsylvania National Mutual Casualty is unable to write homeowners due to exposure of windstorm or hail.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured motorist, comprehensive & collision when principal operator is age 55 or over & all drivers are licensed more than 3 yrs.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Program. Credit varies.
- Deviation on non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for risk eligible for the Personal Auto Preferred Advantage Program. Credit varies.
- Eff 01-01-04 PC065111 [Filing Detail](#)

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 [Filing Detail](#)

Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 [Filing Detail](#)

Phoenix Insurance Company

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto

Insured with The Travelers.

- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto Insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto Insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Effective 3-20-05 PC079540 [Filing Detail](#)

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website
Effective 4-1-05 PC080249 [Filing Detail](#)

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.
Eff 1-1-05 PC077563 [Filing Detail](#)

Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website
Eff. 4-1-05 PC080250 [Filing Detail](#)

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
- Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
- Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
- Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
- Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.

- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
- 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
- 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
- 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
- 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
- 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 PC077564 Filing Detail

Progressive Universal Insurance Company of Illinois

- For deviations see North Carolina Department of Insurance Website
- Eff 4-1-05 PC080248 [Filing Detail](#)

Providence Washington Insurance Company

Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Ulica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 [Filing Detail](#)

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.
- Eff. 7-15-96 PC 034398 [Filing Detail](#)

Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.
- Eff 5-15-04 PC069376 [Filing Detail](#)

Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- Eff. 5-15-04 PC069375 [Filing Detail](#)

Safeco Insurance Company of America

- For deviations see North Carolina Department of Insurance Website
- Eff 10-1-05 PC085789 [Filing Detail](#)

Safeguard Insurance Company

- Installment Payment Plan Payroll Deduction: \$3 charge waived.
- Eff 5-15-03 PC069383

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.

- Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperience operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" in addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when Insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03

South Carolina Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.

- Deviation for single car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-52 yrs. of driving experience. 47%- 60% credit.
- Deviation for multi-car policies with 12-20 SDIP points where driver with least licensed driving experience has 5-42 yrs. of driving experience. 43% -55% credit.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. Driving motor vehicle while intoxicated.

- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 5% credit.
- Deviation for single-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with no accidents or claims. 3% credit.
- Deviation for multi-car policies with 6-20 SDIP pts. where driver with least licensed driving experience has from 7-52 yrs. of driving experience with one accident or claim. 1.5% credit.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing
- d. Transporting illegal intoxicating liquors by motor vehicle.

- 5% non-fleet private passenger auto comprehensive & collision for policies that are insured with South Carolina Insurance Company with no lapse in coverage between policies & have 12-20 SDIP pts. & all drivers licensed 5-52 yrs.
- 15% non-fleet private passenger auto comprehensive & collision for policies with 12-20 SDIP pts. & all drivers licensed 5 - 52 yrs.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.

- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. Driving motor vehicle while intoxicated.
- 25% non-fleet private passenger auto comprehensive & collision for policies with 12 - 20 SDIP pts., all drivers licensed 5 - 52 yrs. & no driver with an at fault accident within the last 12 months preceding policy effective date.
 - Eff. 10-21-98

Southern Fire & Casualty Insurance Company

- Withdrawn 1-1-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

STANDARD PROGRAM

- Experienced Operator Discount
- Multi-Car Discount
- Recreational trailer rates
- Loss Free Renewal Discount
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Southern Automobile Account credit plan 5%
- Automatic Payment Plan
- Eff 8-1-05 PC083400 Filing Detail

PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- Eff. 8-1-05 PC083399 Filing Detail

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in

the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.

- **Mature Driver Discount:** Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a 5% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- **Accident Free Discount:** 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously Insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- **Multi Policy Discount:** 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an Individual's home and automobile.
- Eff. 5-1-03

Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - credit varies.
- Eff 8-15-05 PC085622 [Filing Detail](#)

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 35% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured who is 55-69 yrs. of age and has a homeowner policy with State Auto Companies.
- **Anti-lock Braking System Discount:** 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- **Electronic Funds Transfer:** \$1 monthly service charge per policy.
- Eff. 9-1-00

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & Insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and Insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private

- passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

State Capital Insurance Company

- Withdrawn Effective 2-15-02 PC047795 [Filing Detail](#)

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Various deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Deviation on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision.
- Eff. 4-15-05 PC081009 [Filing Detail](#)

TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.
- Eff. 3-1-98

Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation 3% deviation when certain criteria is met.
- Member Only Deviation 1% deviation when certain criteria is met.
- Surcharge Forgiveness policy has been free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer - The installment payments by Electronic Funds Transfer shall be made on a monthly basis. For new business, the initial payment are 1/3 of the 6 month premium: the remaining monthly payment are of equal amounts. For renewals, there are equal monthly payments. The installment fees are based on the number of installments.
- Eff. 7-1-04 PC070874 [Filing Detail](#)

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

Travelers Indemnity Company

- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments; 30% collision; 10% for comprehensive, fire/fire, and theft/fire, theft and CAC coverage for those insureds who have single car policy & have more than one private passenger auto with The Travelers.
- 1% deviation for private passenger auto rates for employees of Multi-Line Insurance and Financial Services Institution.
- 1% for private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- 1% deviation for private passenger auto rates for North Carolina State University employees as part as of an Employer Payroll Deduction Premium Payment Plan. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of A Credit Union Family. Installment charge deleted.
- 1% deviation for private passenger auto rates for Employees of Research and Development Institutions. Installment charge deleted.
- 1% deviation for private passenger auto rates for Members/Customer of AAA Group. Installment charge deleted.
- 1% deviation for private passenger auto rates for employees of Philip Morris Companies as apart as a payroll deduction premium payment plan. Installment charge deleted.
- Eff. 3-20-05 PC079543 [Filing Detail](#)

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol priv pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Philip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Eff 3-20-05 PC079545 [Filing Detail](#)

The Travelers Indemnity Company of Connecticut

- Pricing Factors – deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured

has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.

- Effective 3-20-05 PC079544 [Filing Detail](#)

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pls. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Eff 08-15-05 PC085623 [Filing Detail](#)

Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 [Filing Detail](#)

USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Deviation on Other Than Collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for other than collision coverage.
- Discount for customizing equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff 8-2-05 PC081214 [Filing Detail](#)

USAA General Indemnity Company

- 5% non-fleet private passenger auto other than collision coverage for vehicles equipped with passive anti-theft disabling devices.
- 100% non-fleet private passenger auto other than collision coverage for audio, visual & data electronic equipment & tapes, records, discs & other media.
- 100% deviation for trailers insured for other than collision coverage.
- 100% deviation for vehicles insured for customizing equipment coverage.

- 5% non-fleet private passenger auto collision for vehicles equipped with daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan: Regular Plan and Extended Plan - installment charge waived.
- Eff 5-1-04 PC071545 Filing Detail

Underwriters Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

Unicard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

Unisun Insurance Company

- Preferred Driver Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premium. Credit applies to each vehicle when criteria is met.
- Full Coverage Discount: 3% non-fleet private passenger auto bodily injury, property damage, medical payments collision & other than collision when criteria is met.
- Multi-Vehicle Discount: 5% additional credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Eff. 12-15-96

United Services Automobile Association

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Deviation on Other Than Collision coverage for audio, visual & data electronics equipment & tapes, records, discs & other media.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for other than collision coverage.
- Discount for customizing equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff. 8/2/05 PC081215 Filing Detail

United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Unitrin Auto and Home Insurance Company

- Voluntary Liability Deviation – Bodily Injury and Property Damage credit varies by territory and tiers.
- Voluntary Physical Damage Deviation – Collision and Comprehensive credit varies by territory and tiers.

- Safety Equipment Discounts – Passive Restraint Discount – medical payments only – auto must be equipped with a factory installed automatic occupant restraint, conforming to the federal crash protection requirements. Credit varies according to installed equipment.
- Anti-lock Braking System Discount – 5% discount for single limit liability or bodily injury and property damage liability coverage shall be afforded for those private passenger auto equipped with a factory installed four wheel anti-lock braking system (abs).
- Extended Transportation Expenses Coverage-Package Plus Only \$30/\$900 Increased Transportation Expenses Coverage Is Included at no additional charge, \$50/\$1500 increased transportation expenses coverage may be substituted for the \$30/\$900 limit on the package plus policy for an additional charge of \$12..
- Cancellation – Package Plus Only – compute return premium on a Pro Rata basis per chart.
- Classifications – Experienced Operator Credit
- Deferred Premium Payment Plans
- Network Discount – 7% discount applied to BI, PD, Med Pay, Coll & Comp if individual is a member of the Network Group.
- Anti-theft Devices – 5% alarm only and active disabling devices, 15% Passive Disabling Device.
- Premium Determination - Package Plus Only certain criteria apply, credit varies.
- Eff 05-3-04 PC071376 Filing Detail

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an Insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is Insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03

Virginia Mutual Insurance Company

- Multi-car risk and drivers either occasional or principle having more than 10 years but less than 49 yrs driving experience and zero SDJP driving record points. Credit varies according to coverage.
- Eff. 2-15-04

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

Windsor Insurance Company

For Deviations see the North Carolina Department of Insurance Website.
Eff 9-1-00 PC035427 Filing Detail

AUTOMOBILE

As of 12-15-06

ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

AMCO Insurance Company

- Territory Deviation Applicable to BI, PD and Collision
- Eff. 12-1-06 PC093851 North Carolina Department of Insurance

ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs. - 10% credit; 6 yrs. or more - 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 9-1-06 PC095703 North Carolina Department of Insurance

Allied Property and Casualty Insurance Company

- Territory Deviation applicable to BI, PD, and collision coverages.
- Eff. 12-1-06 PC093850 North Carolina Department of Insurance

Allstate Indemnity Company

Preferred Program

- Territory Deviations
- Tier Deviation: Certain criteria must be met.
- Years Licensed Deviation
- Accident Rating Deviation: Years since last accident 0 - 3+
- Anti Lock Brake Discount: 1% credit for collision coverage when factory installed anti lock braking system on all four wheels.
- 55 and Over Discount
- New Car Discount
- The Good Hands People Discount
- Installment Payment Fee for Electronic Funds Transfer Deviation

Regular Auto Program

- Liability Coverage Deviations
- Pay Fee Deviation
- The Good Hands People Discount
- Eff 6/13/05 PC081967 North Carolina Department of Insurance

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Effective 7-1-04 PC072554 Filing Detail

American and Foreign Insurance Company

- Installment Payment Plan waiver.

- Effective 5/15/04 PC068691

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 [Filing Detail](#)

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Employers Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 [Filing Detail](#)

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 [Filing Detail](#)

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st Installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 [Filing Detail](#)

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
 - a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.

- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 Filing Detail

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is Included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

American Professionals Insurance Company

- Installment charge waived on initial payment: \$3 charge for each installment thereafter: Applies to all policies.
Eff. 7-1-99

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.

- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.
Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American States Preferred Insurance Company

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.

Eff. 11/21/06 PC097560 North Carolina Department of Insurance

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Downward Deviation by Territories for BI, PD, med pay, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment plan.
- Eliminate additional charge \$2 for all installment payments for members of any AMICA Group.
- Eliminate additional charge \$2 for 1st installment payment for insured participating in account billing payment plan.
- Downward deviations to one year short-rate cancellation.
- Eff. 11-1-04 PC074206 Filing Detail

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Eff. 4-1-00

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments.
- Eff. 10-01-03

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
 - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed

\$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.

- Eff. 7-1-94

MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

Atlantic Indemnity Company

- 5% non-fleet private passenger auto bodily injury, property damage & medical payments single car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 2.5% non-fleet private passenger auto bodily injury, property damage & medical payments multi-car policies with 6-20 SDIP pts. that do not include a Driving While Intoxicated conviction.
- 21% average deviation for non-fleet private passenger automobile physical damage with 3 or more SDIP pts.

LIABILITY All deviation applicable to non-fleet private passenger bodily injury, property damage, & medical payment coverages all listed components. 6

12 point violation must not be one of the following.

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
 - e. DUI violations involving drugs.
- 55% for single car policies with 12-20 SDIP pts.
 - 45% for multi car policies with 12-20 SDIP pts.
 - Effective 11-1-95

Auto Owners Insurance Company

Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home; Auto/Life; Auto/Umbrella Discount for BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity \$5,000 at no additional charge.
- Total Disability Benefits \$35 weekly at no additional charge.
- Auto Owners Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid In full discount.
- Eff 5-19-06 PC088329

Standard Program

- Multi Policy Discount: (Auto/Home; Auto/Life; Auto/Umbrella) 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity
- Total Disability Indemnity
- Paid In Full Benefits Discount
- Eff. 5/19/06 PC088330

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates.
- Eff. 5-28-87

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no inexperienced operators in household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.

- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the Insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per installment / withdrawal.
- Deviation for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation for eligible Superior Drivers. (Central Premier) Certain criteria apply.
- Custom Loyalty Credit
- Deviation for Acceptable Drivers
- Eff 2/1/16 PC089112

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi Policy)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Hybrid Vehicle Discount – type of fuel used 10% discount.
- Eff 12-6-06 PC096384 North Carolina Department of Insurance

The Cincinnati Insurance Company

- 29% deviation on collision rates.
- 25% deviation on other than collision rates.
- 10% downward deviation applied to liability & physical damage rates for companion policy.
- Installment Payment Plan charge waived.
- 6% downward deviation on NCRB BI rates.
- 3% downward deviation on NCRB PD rates.
- 3% downward deviation on NCRB Combines Single Limit rates.
- Downward deviation on NCRB Uninsured increased Limits.
- Downward deviation on NCRB Combines Uninsured/underinsured Motorists Increased Limits.
- Downward deviation on NCRB Increased Limits for BI..
- Eff. 8/15/06 PC094648 North Carolina Department of Insurance

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

Continental National Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag: 30% for both front outboard seat position airbags.
- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01

Electric Insurance Company

- Territory Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Tier Level Deviations when criteria is met.
- Safe driver discount when criteria is met.
- Elfun Society Membership discount.
- Mass Marketing Discount.
- Operator of vehicle is 55 yrs or older.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 11-16-06 PC095961 North Carolina Department of Insurance

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

Encompass Indemnity Company

- Effective 10-1-04 PC075213

Encompass Indemnity Company

Antique automobile program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.

- Deviation for Uninsured/underinsured Motorists – all territories.
- Effective 9-1-04 PC
Classic Automobile Program
- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- Age 55 and over deviation
- Anti-lock brake deviation systems on BI and PD on all four wheels.
- Anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles:
- Pro rata cancellation and Pro-Rata Table.
- Multi-Policy Discount:
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Effective 5-15-06 PC089588

Erie Insurance Exchange

- Base Rate Deviation by territory.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when principally driven by insureds who are age 55 or older & there is no inexperienced operator in household.
- 8% non-fleet private passenger automobile bodily injury & property damage for 1983 & newer model yr. vehicles with factory installed anti-lock brake systems on all four wheels.
- Anti-Theft Device Deviation on comprehensive premiums: 5% for etching identification or an active device; 10% for an alarm or passive device.
- Feature 15: SDIP surcharge will be deviated for following at-fault accidents presented on a personal auto policy which has been in force with Erie Insurance Group for 15 or more yrs. Deviation - 1 pt. - 15%; 2 pts. - 40%; 3 pts. - 65%.
- Coverage for Rented Vehicles: Waive \$4 charge for coverage.
- Pro rata cancellation for all policies.
- Premium Payment Plan: Service charge – Installment payments deviation.
- Comprehensive Deductible Factors Deviation.
- Multi Policy Discount:
- First Accident Forgiveness Deviation: The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto policy: 1 pt. - 15%; 2 pts - 40%; 3 pts. - 65%. Other criteria apply.
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Eff 1-1-06 PC086602

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968

Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory Installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP

pts.

- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.
- Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.

- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies when named Insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

Firemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

First Liberty Insurance Corporation

- Group Plus Discount Program applicable to Collision, Comprehensive, Bodily Injury and Property Damage rates when Insureds pays premium by salary deduction
- Mature Driver Discount applicable to Bodily Injury, Property Damage, Collision and Comprehensive rates provided all operators in the household is age 55 or older and there is no inexperience operator in the household.
- Waive the additional \$3.00 charge on the first installment on the Installment Payment Plan
- College Education Discount Program - 10% discount on Bodily Injury, Property Damage, Medical Payments and Physical Damage
- Homeowners Discount
- Liability Single Limits (Property Damage) deviation
- Liability Split Limits (Bodily Injury) deviation
- Property Damage Limits deviation.
- Short Rate Cancellation deviation
- Medical Payments deviations.
- Eff. 12/23/06 PC097066 North Carolina Department of Insurance

First National Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff. 11/21/06 PC097556 North Carolina Department of Insurance

Foremost Insurance Company

- Installment Payments
- Eff 12/1/06 PC099237 North Carolina Department of Insurance

GEICO Indemnity Company

- Associate Discount: 8% non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Eff. 5-1-05 PC081831

General Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Effective 11/21/06 PC097558 North Carolina Department of Insurance

Globe Indemnity Company

- Installment Payment Plan – Agency Payroll Deduction – certain criteria apply
- Effective 5-15-04 PC069382

General - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision by territory, credit varies.
- Deviation on comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- Bodily Injury Increased Factor Deviation.
- Deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit:
- 5 Year Good Driving Discount: Certain criteria apply.
- Associate Discount: credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies.
- Tier Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- SDIP Factors Discount
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Eff. 11/15/06 PC096311 North Carolina Department of Insurance

Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual

Insurance Company or Graphic Arts Mutual Insurance Company.

- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 [Filing Detail](#)

Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 [Filing Detail](#)

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.

- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02

Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02

Great American Split Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.
- Eff. 2-15-02

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
- Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- Transporting illegal intoxicating liquors by motor vehicle.
- DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647

GuideOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if Insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%: Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02q

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

Hartevsille Mutual Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096330 North Carolina Department of Insurance

Hartevsille Preferred Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096331 North Carolina Department of Insurance

Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.

- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%; 6 or more yrs. - 8%; Certain criteria apply.
- 5% Limited Driver Credit applies when principal operator is age 75 or over & such operators use of auto is limited to daylight driving.
- Anti-lock Braking System (ABS) 2% non-fleet private passenger auto bodily injury, property damage & collision coverage when auto is equipped with factory installed).
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision; Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 4-1-03

Highland Insurance Company

- 15% deviation to bodily injury, property damage, medical payments, uninsured & underinsured motorist base premium.
- 25% deviation to comprehensive & collision base premium.
- Installment Payments Deviation.
- 10% deviation when named insured has a homeowners policy with any company in the Highlands Insurance Group.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

Horace Mann Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years: Credit Varies
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 11-15-06 PC096437 North Carolina Department of Insurance

Horace Mann Property & Casualty Insurance Company

- Territory Deviation, no chargeable SDIP Points, no Inexperience operator, eligible for credit rating tier 1,2,3,4,6, or 9 and all drivers in the household have at least 5 years of driving experience. Bodily Injury, Property Damage, Comprehensive, and Collision
- Driver Quality Deviation-years of claim free. Bodily Injury, Property Damage, and Collision.
- Multi line (Multi Policy) Deviation, Educator/Non-Educator, no chargeable SDIP Points, eligible for credit rating tier 1,2,3,4,6,9,A,B,C,D,F, or J, and principal driver must not be an inexperienced operator. Bodily Injury, Property Damage and Collision.
- Member Only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents for five consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments No Installment fee charged on the first installment. (Personal Auto Manual Rule 22)
- Credit Rating Deviation, Bodily Injury, Property Damage, Comprehensive, and Collision.
- Administrator Deviation-School Administrator, Bodily Injury, Property Damage, Comprehensive and Collision.
- Young Educator Program Deviation (Classroom teacher), 6, 7, or 8 years of driving experience, Bodily Injury, Property Damage, Comprehensive and Collision.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments and Collision.
- Eff. 11-15-06 PC096438 North Carolina Department of Insurance

IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.

- Eff. 3-18-97

Infinity Insurance Company

CLASSIC COLLECTORS PROGRAM

- BI & PD Deviation
- Comp and Coll coverage deviation
- UM/UIM coverage, Med Pay & Towing deviation
- Eff 1-1-06 PC088103

Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage; 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
 - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
 - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
 - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
 - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
 - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
 - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
 - Installment payment plans fees waived for GMAC insurance employees.
 - 3% on all policies eligible for vol llab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other llab dev is equal to or greater than 3%.
 - Eff. 7-1-03

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol llab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd

and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.

- Eff. 7-1-03

Integon Indemnity Corporation

- 5.7% average deviation non-fleet private passenger auto physical damage rates-5 or more pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC Insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bl/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon National Insurance Company

Non Preferred Program

- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- 2.3% average deviation on non-fleet private passenger auto comprehensive insurance rates. Non-owners policies do not qualify for this deviation.
- 31.9% average deviation on non-fleet private passenger auto collision insurance rates. Non-owners policies do not qualify for this deviation.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 13-16 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 17-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .54 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 13 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 14-15 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 16-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .74 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .72 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .70 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .62 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of

liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

- .60 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .59 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

ULTRA PREFERRED AND PREFERRED PROGRAM DEVIATIONS

- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and have married drivers with 14 to less than 44 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with proof of homeownership.
- .98 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 100/300.
- .80 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has one or more at fault accident.
- 1.12 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 4 to less than 5 years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies where one of the following criteria is met: 1) GMAC/Ditech Mortgage customer, 2) GMAC Auto Loan customer, 3) GMAC Auto Lease customer, 4) GM Credit Card customer, 5) GMAC Demand/Smart Note customer, 6) GM/GMAC Employee/Retiree or member of an approved employee group, or 7) GM Dealership employee.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with limits of 50/100.
- .89 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 250/500.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 2 to less than 3 years driving experience.
- 1.05 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.15 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .75 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists, rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.

- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with no proof of prior insurance.
- .63 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on multi-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and married drivers with 14 to less than 44 years driving experience.
- .63 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .88 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with less than 1 year driving experience.
- 1.23 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 1 to less than 2 years driving experience.
- 1.17 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 3 to less than 4 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies and drivers who are not married.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with 1 SDIP point.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the ultra preferred underwriting tier where the policy has 1 SDIP point.
- .95 factor applies to all on all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 2 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 3 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 4 SDIP points.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with 14 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with less than 14 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies, and married drivers with 44 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This

factor applies only to policies with "0" SDIP points that are multi-car policies and married drivers with less than 14 years driving experience.

- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies with married drivers.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 9 to less than 14 years driving experience.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 14 to less than 44 years driving experience.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 44 to less than 55 years driving experience.
- 1.15 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 5 to less than 6 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 6 to less than 7 years driving experience.
- 1.06 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 7 to less than 11 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 11 to less than 18 years driving experience.
- 1.01 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 18 to less than 37 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 55 to less than 61 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 61 or more years driving experience.
- .48 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 5 to less than 9 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid

following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.

- .47 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .52 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
- 1.16 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with limits of 30/60.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with less than 5 years driving experience.
- 1.18 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with 5 or more years driving experience.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.32 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .96 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for a superior credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .83 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .78 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.33 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average, acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .97 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an superior, ultra or ultra preferred credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .66 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

ULTRA PREFERRED, PREFERRED AND NON-PREFERRED PROGRAM

- Installment payment plan fees waived for GMAC insurance employees and affiliates of GMAC Insurance.
- .97 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorist, and Underinsured Motorist insurance rates on all policies eligible for voluntary liability under the company's underwriting guidelines, with at least one full coverage vehicle. (must have BI/PD and collision). This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- .97 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies set up on Electronic Funds Transfer payment plan.
- Eff 5/19/06 PC089479

Integon Specialty Insurance Company

- 37.6% non fleet private passenger auto BI & PD liability for single car with 12-16 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for single car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for multi car with 12-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 25.9% non fleet private passenger auto BI & PD liability for multi car with 19-20 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 35% non fleet private passenger auto physical damage for single & multi car with 12-17 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 20% non fleet private passenger auto physical damage for single & multi car with 18-20 SDIP pts. that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- 31.8% non fleet private passenger auto BI & PD liability for single car with 17-18 SDIP pts. with a 12 pt. violation that is not (1) manslaughter or negligent homicide. (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing. (3) failure to stop and render aid when involved in an accident resulting in bodily injury or death. (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners do not qualify.
- Installment payment plans fees waived for GMAC insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00

Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
- 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
- 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
- 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
- Eff. 4-1-99

Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Waive additional charge of \$3 - 1st installment of installment plan.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: 18% applies to liability & 18% to physical damage rates when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits deviation by territory, credit varies.
- Liability split limits deviation by territory, credit varies.
- Property Damage limits deviation by territory, credit varies.
- Medical Payments Deviation
- Comprehensive and collision deviation, credit varies.
- Short Rate Cancellation deviation.
- Eff. 5-15-06 PC091198

LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.
- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperienced operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners insured with one of Hanover Insurance Companies.
- Group Modification Plan; Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Merastar Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments & comprehensive & collision rates if named insured is member of an employer sponsored account or qualifying affinity group.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured is age 55 or older & no operator has less than 9 yrs. driving experience.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision if named insured has both auto and homeowners insurance with Merastar or its designated joint venture business partners.
- 6% non-fleet private passenger auto comprehensive & collision, if policy qualifies for Company's Safe and Sound Discount.
- 2% non-fleet private passenger auto collision rate, if vehicle is equipped with factory installed anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive rates for alarm only or other anti-theft system requiring driver to enable system.
- 15% non-fleet private passenger auto comprehensive rates for passive anti-theft system.
- Waiver of installment charge on policies paid through pre-authorized checking or payroll deduction; \$1.00 installment charge for policies paid by Auto Bank Draft.
- Eff. 11/15/05 PC088277 [Filing Detail](#)

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 [Filing Detail](#)

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.

- Eff. 6-7-95

NGM Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named Insured Insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.
- Eff. 9/1/04 PC071955 Filing Detail

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064662

Nationwide Affinity Insurance Company of America

- Territory Deviation
- Nationwide Affinity Deviation
- Liability Vehicle Grouping Deviation
- Model Year Deviation
- New Vehicle Deviation
- Driver Class Deviation
- Accident Free Deviation
- Financial Responsibility Deviation (Credit Score)
- Matrix Deviation (prior insurance, prior bodily injury limits, number of vehicles)
- Safe Driver Insurance Plan Deviation
- Miscellaneous Vehicle Deviation (Antique or Classic Autos, Motorcycles and any vehicle not subject to the SDIP)
- Eff 12/10/06 PC097181 North Carolina Department of Insurance

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor
- Inexperienced operator with Foreign Driver's License Deviation.
- Eff. 4-1-06 PC089469 North Carolina Department of Insurance

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Territory Deviations
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Eff. 10/1/06 PC095326 North Carolina Department of Insurance

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.

- Nationwide Affinity Deviation –deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named Insuree is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation –according to certain criteria.
- Intra-Agency Transfer Deviation –deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and dev for the next three terms when certain conditions are met.
- Matrix Deviation – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviation –applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviation –applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviation –deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviation –based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviation –deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviation –deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience and operates certain motorcycle types.
- Household composition deviation.
- Payment Plan Deviation.
- Tier Deviation.
- Effective 1/7/07 PC096516 North Carolina Department of Insurance

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 6.8% average deviation for non-fleet private passenger auto physical damage rates with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liab devs is equal to or greater than 3%.
- Eff. 7-1-03

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- Reward Driver Program: Policies with a Reward driver: deviation varies from 7% to 33% - certain criteria apply.
- Reward Driver Program: Policies with a Preferred driver and no Reward driver – deviation varies from 6% to 25% according to certain criteria
- Reward Driver Program: Policies with a Premier driver and no Reward and no Preferred driver – deviation varies from 0% to 23%, certain criteria apply.
- Reward Driver Program: Policies with a Freedom driver and no Reward and no Preferred and no Premier driver – deviation varies from 0% to 16%.

- Reward Driver Program: Policies with no Freedom driver and Reward and no Preferred and no Premier driver – deviation varies from 0% to 15%.
- Full Pay Deviation - 3% deviation applies to BI, PD, Med Pay, Comp, and Coll if the policy is written new or renewed with payment mode equal to full pay.
- Protection Plus deviation – Physical Damage Deviation for high liability limits – 3% applies to Comp and Coll coverages for policies that have Bodily Injury policy limits of 100,000/300,000 or higher.
- Territory Deviations: A territory deviation will apply to BI, PD, Med Pay, Comp and Coll – credit varies in territory 13, 14, 41, 43, 51, 52.
- Twelve-point violation (This deviation stands alone. When 12-point deviation applies, policy is not eligible for other deviations. A deviation of 55% applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following:
 - a) manslaughter or negligent homicide resulting from the operation of a motor vehicle.
 - b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing.
 - c) failure to stop and render aid when involved in an accident resulting in BI or death (hit and run driving), or
 - d) transportation for the sale of illegal intoxicating liquors by motor vehicle.
- Eff 2/1/06 PC089182

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

Northwestern National Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist & underinsured motorist coverage.
- 15% non-fleet private passenger auto comprehensive & collision deviation to base premiums.
- Installment Payment Plan: Initial installment waived.
- 10% Account Credit on auto policy when named insured insures a Homeowners policy with State Capital, Northwestern National, or American Professional Insurance Companies.
- 5%-10% deviation for Renewal/Transfer Credit to bodily injury, property damage, medical payments & collision coverage when certain criteria is met.
- Eff. 1-1-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 PC041974 Filing Detail

OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by Insured

who reached age 55.

- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount for BI, PD, Med Pay, Comp and Coll Varied credit.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.
- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in Full Deviation.
- Eff 5/19/06 PC088328

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03

Peak Insurance Company

Liability – All deviation applicable to no-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - c. Prearranged racing or knowing lending a motor vehicle to be used in prearranged racing.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 65% deviation to single car with 12 SDIP points.
 - 50% deviation to single car with 13-15 SDIP points.
 - 30% deviation to single car with 16-20 SDIP points.
 - 49% deviation to single car with 12-15 SDIP points.
 - 33% deviation to single car with 16-20 SDIP points.
 - Eff 2-28-05 PC079090

Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAtract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAtract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAtract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAtract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAtract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAtract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAtract scores

greater than 824.

- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.
- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505

Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 [Filing Detail](#)

Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 [Filing Detail](#)

Phoenix Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi-Policy)
- Contributing Vehicle Credit (number of vehicles)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment charge waived (Rule 22) for Multi-Line Insurance and Financial Services Institution
- Effective 1/3/07 PC096415 [North Carolina Department of Insurance](#)

Platt River Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory Installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website
Effective 4-1-05 PC080249 Filing Detail

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.
Eff 1-1-05 PC077563 Filing Detail

Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website
Eff. 4-1-05 PC080250 Filing Detail

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
 - Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
 - Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
 - Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
 - Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
 - Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.

- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
 - 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
 - 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
 - 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
 - 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
 - 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
 - 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
 - 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
 - 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installation Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 [PC077564 Filing Detail](#)

Progressive Universal Insurance Company of Illinois

- For deviations see North Carolina Department of Insurance Website
- Eff 4-1-05 [PC080248 Filing Detail](#)

Providence Washington Insurance Company

Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 [Filing Detail](#)

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.
- Eff. 7-15-96 PC 034398 [Filing Detail](#)

Royal Indemnity Company

- Installment Payment Plan-Agency Payroll Deduction: Certain criteria apply.
- Eff 5-15-04 PC069376 [Filing Detail](#)

Royal Insurance Company of America

- Installment payment plan waived for employees.
- Installment Payment Plan Payroll Deduction \$3 charge waived.
- Effective 5-15-04 PC069375

Safeco Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff 11/21/06 PC097559 [North Carolina Department of Insurance](#)

Safeguard Insurance Company

- Installment charge deviation \$2 charge each installment.
- Effective 5-15-03 PC069383

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperienced operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when

private passenger auto equipped with factory installed four-wheel anti-lock braking system.

- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" In addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. & no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive,

collision & medical payments when underwriting guidelines are met.

- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily Injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

STANDARD PROGRAM

- Experienced Operator Discount
- Multi-Car Discount
- Recreational trailer rates
- Loss Free Renewal Discount
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Southern Automobile Account credit plan 5%
- Automatic Payment Plan
- Eff 8-1-05 PC083400

PREFERRED PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- Eff. 5/15/06 PC091438

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill, a 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.
- Mature Driver Discount: Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a % discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operator.
- Accident Free Discount: 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously Insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- Multi Policy Discount: 5% credit shall be applied to bodily Injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 5-1-03

Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (IIFR) for other than inexperienced operators (years of driving experience).
- Account Discount multi policy - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit (number of vehicles)- credit varies.
- Hybrid Vehicle Discount (type of fuel used)10% discount.

- Eff 12/6/06 PC096382 North Carolina Department of Insurance

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for Insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for Insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for Insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an Insured with 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- Anti-lock Braking System Discount: 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- Installment Plan with Electronic Funds Transfer: \$1 monthly service charge per policy.
- Customizing Equipment deviation.
- Eff. 10-26-06 PC097712 North Carolina Department of Insurance

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & Insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and Insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

State Capital Insurance Company

- Withdrawn Effective 2-15-02 PC047795 Filing Detail

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Various deviation on non-fleet private passenger automobile rates. Applicable to principal operators aged 55 and over when there is no inexperienced operator in the household. (not motorcycles).
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Deviation on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for BI/PD, Med Pay, and Collision.
- Eff 4-15-05 PC081009 Filing Detail

TIG Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer: 20% comprehensive; 10% collision.

- Eff. 3-1-98

Teachers Insurance Company

- Driving Quality Deviation Must meet certain criteria Credit varies.
- Home and Auto Deviation deviation when certain criteria is met.
- Member Only Deviation (Affinity) BI, PD, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge. Credit Varies
- Electronic Funds Transfer – (Payment Options) no fee charged.
- Installment Payments No installment fee charged on the first installment.
- School payroll payment plan deviation, 5% to BI, PD, Med Pay and Collision.
- Eff 11-15-06 PC096439 North Carolina Department of Insurance

Titan Indemnity Company

- Territory Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Liability Vehicle Grouping Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Model Year Deviation, Bodily Injury, Property Damage, and Medical Payments
- New Vehicle Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Driver Class Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Accident Free Deviation, Bodily Injury, Property Damage, and Medical Payments
- Financial Responsibility Deviation (Credit Score) Bodily Injury, Property Damage, and Medical Payments.
- Matrix Deviation (various characteristics) Bodily Injury, Property Damage, and Medical Payments.
- Safe Driver Insurance Plan Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Intra Agency Transfer Deviation (Independent Agency refers to Titan) Bodily Injury, Property Damage, and Medical Payments
- Affinity Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Policy Premium Amount Paid In Full Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Eff 11-15-06 PC095559 North Carolina Department of Insurance

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

Travelers Indemnity Company

- Contributing Vehicle Credit.
- Renewal Credit.
- Rate Deviation for Multi-Line Insurance and Financial Services Institution.
- Rate Deviation for All Other Entities Not Specifically Defined.
- Rate Deviation for North Carolina State University.
- Rate Deviation for Members/Customers of a Credit Union Family.
- Rate Deviation for Employees of Research and Development Institutions.
- Rate Deviation for Members of AAA Group.
- Rate Deviation for Phillip Morris Companies.

- Hybrid Vehicle Discount.
- Eff. 1-3-07 PC096385 North Carolina Department of Insurance

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol priv pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Contributing Vehicle Credit: 30% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insureds who have a single car policy and have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% deviation priv pass, pickups, vans and classic autos for Comp, fire/fire and theft/fire, theft, CAC coverages for insureds who have a single car policy and have more than one private pass auto insured with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- 13% deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted.
- Rate Deviation for North Carolina State University - 13% deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- 13% deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- 13% non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- 13% deviation applies to private passenger auto rates for employees of Phillip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Hybrid Vehicle Discount 10% discount.
- Eff 6-7-06 PC090593

The Travelers Indemnity Company of Connecticut

- Pricing Factors –deviation varying by coverage will be applied to voluntary private passenger automobiles.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a voluntary private passenger automobile policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: 35% deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 30% private passenger autos, pickups, vans & classic autos for collision coverage for single car policy yet have more than one private passenger auto insured with The Travelers.
- Contributing Vehicle Credit: 10% private passenger autos, pickups, vans & classic autos for comprehensive, fire/fire & theft/fire, theft & CAC coverages for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Hybrid Vehicle Discount 10% discount.
- Effective 6-7-06 PC090592

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- IS/Level Multiplier without Inexperienced Operator - Multiplier varies.
- IS/Level Multiplier for Inexperienced Operator - Multiplier varies.

- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Hybrid Vehicle Discount 10% discount.
- Eff 6-7-06- PC090588

Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.).
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 Filing Detail

USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: coverage for audio, visual & data electronics equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: covered property coverage
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: Customizing Equipment Coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owner Policy deviation.
- Eff 11-15-06 PC097582 North Carolina Department of Insurance

USAA General Indemnity Company

- Discount for Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for vehicles insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owned Policy deviation.
- Eff. 11-15-06 PC097666 North Carolina Department of Insurance

Unigard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with air bags and any other type passive restraints.
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.

- Discount for trailers Insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Eff. 9-26-06 PC095671 North Carolina Department of Insurance

United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Unifrin Auto and Home Insurance Company

- Voluntary deviations with driving points.
- Voluntary deviations without driving points.
- Extended Transportation Expense Coverage.
- Pro Rata Cancellation.
- Experienced Operator Credit.
- Deferred Premium Payment Plans.
- Network Discount
- Anti-Theft Device Discount.
- Premium Determination - Package Plus Only
- Eff 11/15/06 PC097786 North Carolina Department of Insurance

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

Vallant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.

- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03

Virginia Mutual Insurance Company

- Multi-car and driver Deviation, Bodily Injury, Property Damage and Medical Payments
- Account discount, Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Insurance Score (Credit) Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Eff. 11-15-06 PC097064 North Carolina Department of Insurance

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

Western General Insurance Company

- 8% discount to physical damage coverages base rates, if liability insurance is provided.
- Eff 11-15-06 PC098332 North Carolina Department of Insurance

Windsor Insurance Company

For Deviations see the North Carolina Department of Insurance Website.
Eff 9-1-00 PC035427 Filing Detail



AUTOMOBILE

As of 12-15-07

ACE American Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorist, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

ACE Fire Underwriters Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

ACE Property & Casualty Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

AMCO Insurance Company

- Territory Deviation Applicable to BI, PD and Collision
- Eff. 12-1-06 PC093851 North Carolina Department of Insurance

AMEX Assurance Company

- Accident-Free Discount: Applies to non-fleet private passenger auto bodily injury, property damage, medical payment & collision: 3-5 yrs.- 10% credit; 6 yrs. or more- 15% credit.
- Auto/Homeowner Discount 5% Forms 3 & 6: with accompanying homeowners policy.
- Deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Installment Payment Plan: Charge waived for electronic funds transfer or payroll deduction.
- Work Site Discount: 1% deviation non-fleet private passenger automobile rates where the named insured has acquired his/her auto policy through the Work Site Marketing Program of AMEX Assurance Company. Preferred Client Deviation 10% for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Costco Discount: 3% applies to policies for member insureds of Costco. Vehicle Usage Discount for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Credit varies.
- Multi-car discount for Liability, Comp & coll
- Liability Limits: credit varies by Limit amount.
- Eff. 9-1-06 PC095703 North Carolina Department of Insurance

Alfa Alliance Insurance Corporation

- Multi-car and driver Deviation, Bodily Injury, Property Damage and Medical Payments
- Account discount, Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Insurance Score (Credit) Bodily Injury, Property Damage, Medical Payments, Comprehensive, and Collision.
- Eff. 11-15-06 PC097064 North Carolina Department of Insurance

Allied Property and Casualty Insurance Company

- Territory Deviation applicable to BI, PD, and collision coverages.
- Eff. 12-1-06 PC093850 North Carolina Department of Insurance
-
- **Motorcycle/Recreational Vehicle**
- Matrix Deviation
- Eff 8-10-07 PC104818 North Carolina Department of Insurance

Allstate Indemnity Company

Preferred Program

- Territory Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive.
- Years Licensed Deviation, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Fifty-Five (55) and Over Discount
- Tier, Bodily Injury, Property Damage, Medical, Collision, and Comprehensive
- Premier and Premier Plus Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Multiple Policy Discount, Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- New Car Discount
- The Good Hands People Discount, Collision and Comprehensive
- Antilock Brake Discount, Collision coverage
- Accident Rating Deviation (SDIP) Bodily Injury, Property Damage, Medical, Collision and Comprehensive
- Installment Payment Fee for Electronic Funds Transfer or Payroll Deviation

- Coverage Deviations (Death Indemnity) no charge for \$10,000 limit

Regular Auto Program

- Liability Coverage Deviations for Bodily Injury and Property Damage
- Installment Payments, Electronic Funds Transfer or Payroll Deduction
- The Good Hands People Discount, Collision and Comprehensive
- Eff 1/15/07 PC098967 North Carolina Department of Insurance

Allstate Insurance Company

- Installment Payment Fee of \$1.00 for Electronic Fund Transfer.
- Effective 7-1-04 PC072554 Filing Detail

Allstate Property and Casualty Insurance Company

- Territory Deviation for Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Household Composition, Rule 4.1.a and 4.1.b, number of years licensed for the least years licensed operator, number of vehicles and the number of operators listed, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Multiple Policy Discount, Rule 4.1.a, Named Insured Is on a Homeowners, Mobilehome Owners, Renters, Condominium or Personal Umbrella Policy, or both, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- New Car Discount, Rule 4.1.c, Months since purchase, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- 55 And Over Discount, Principal Operator Is 55 years old or older, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- The Good Hands People Discount, Rule 4.1.d, Level 1 Qualified Members of Approved groups, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Antilock Brake Discount, Rule 4.1.c, 1983 and subsequent which is equipped with a factory installed antilock braking system 0.99 for Collision coverage
- Tier, Rule 4.1.a, Years with Prior Carrier, Ownership, Prior Bodily Injury Limit, New Business Lapse, row number and policy group
- Premier and Premier Plus Discount, Rule 4.1.b, SDIP, Levels 1, 2, 3, Bodily Injury, Property Damage, Medical Payments, COmprehensive and Collision
- Good Payer Discount, Rule 4.1.a, New Business policies, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Allstate Easy Pay Plan Discount, Rule 4.1.a, Electronic Funds transfer, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive,
- Accident Rating Deviation, Rule 4.1.b, SDIP Years since last accident, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Years Licensed Deviatlon, Rule 4.1.b, Number of years the operator has been licensed, Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Installment Payments
- Effective 3-19-07 PC101722 North Carolina Department of Insurance

American and Foreign Insurance Company

- Installment Payment Plan waiver.
- Effective 5/15/04 PC068691

American Automobile Insurance Company

- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with an alarm device.
- 5% non-fleet private passenger auto comp. coverage on vehicles equipped with active disabling device.
- 15% non-fleet private passenger auto comp. coverage on vehicles equipped with passive disabling device.
- Anti-lock braking system - 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factory installed four wheel Anti-Lock Braking System.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments
- Eff. 10-01-03 PC 064659 Filing Detail

American Bankers Insurance Company of Florida

- 8% non-fleet private passenger physical damage insurance rates, if liability insurance is provided.
- Eff. 3-15-86

American Centennial Insurance Company

- 5% non-fleet private passenger auto liability & physical damage rates.
- Eff. -1-85

American Economy Insurance Company

- 10% private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American Fire & Casualty Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medl pay, uninsured motorists, comp & coll coverages.
- Anti-Theft Discount: Com Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00 PC 035767 [Filing Detail](#)

American Home Assurance Company

- 6% - 37% deviation for medical payments & uninsured & combined uninsured/underinsured motorists coverage: All territories: Certain underwriting criteria must be met.
- 1% - 46% deviation for bodily injury, property damage, comprehensive & collision coverages: Certain criteria apply.
- 5% deviation for bodily injury, property damage, medical payments, comprehensive & collision for multi car policies.
- 5% deviation for comprehensive: All vehicles equipped with alarm only and active disabling devices.
- 15% deviation for comprehensive: All vehicles equipped with passive disabling devices.
- 5% deviation for certain coverages: All insureds within sponsored groups.
- Installment fee waived for automatic deductions from a financial account.
- 1st installment fee waived for all multiple payment modes.
- Eff. 12-20-02 PC054433 [Filing Detail](#)

American Insurance Company

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff 10-1-03 PC 064660 [North Carolina Department of Insurance](#)

American International South Insurance Company

- Deviation applies to non-fleet private passenger Bodily Injury and Property Damage Liability rate that is not one of the following:
 - a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxication liquors by motor vehicle.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 5-6 years with a 12 point violation.
- 48.0% on rates with 12-14 SDIP policy points, multi-car & married & driving experience of 7-38 years with a 12 point violation.
- 62.0% on rates with 12-14 SDIP policy points, single car with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car, unmarried with 7-38 years driving experience with a 12 point violation.
- 39% on rates with 12-14 SDIP policy points, multi-car & driving experience of 39+ years with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with 5-6 years driving experience with a 12 point violation.
- 50% on rates with 12-17 SDIP policy points, single car with driving experience of 39+ years with a 12 point violation.
- 39% on rates with 15-17 SDIP policy points, multi-car & 5 years of driving experience with a 12 point violation.
- 55% on rates with 15-17 SDIP policy points, single car and 5-6 years driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car and 5+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car and 5+ years of driving experience with a 12 point violation.
- 50% on rates with 18-20 SDIP policy points, single car, married driver with 5-38 years of driving experience with a 12 point violation.
- 39% on rates with 18-20 SDIP policy points, multi-car, married driver with 5-38 years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, single car, married driver with 39+ years of driving experience with a 12 point violation.
- 13% on rates with 18-20 SDIP policy points, multi-car, married driver with 39+ years of driving experience with a 12 point violation.
- Effective 8-27-04 PC073480 [Filing Detail](#)

American Manufacturers Mutual Insurance Company

- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.

- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Classic Auto Discount: 80% discount to Miscellaneous Types Rule-19.F. Classic Auto Discount for bodily injury, property damage & medical payments coverages.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03

American Motorists Insurance Company

- Extended Transportation Expenses Coverage - KIP only: Coverage included at no additional charge.
- Cancellation - KIP only: Compute return premium on pro rata basis.
- Deferred Premium Payment Plan.
- 7% Kemper Network Deviation: Certain criteria apply.
- Eff 7-1-03 PC062832 North Carolina Department of Insurance

American Protection Insurance Company

- Voluntary deviations with driving points - BI, PD, COMP, COLL credit varies by territory.
- Voluntary deviations without driving points - BI, PD, COMP, COLL credit varies by territory.
- Safety Equipment Discounts - 5% - 15% to Med Pay if qualified.
- Anti-locking braking system discount - 5% for autos equipped with a factory installed four wheel Anti-Lock Braking System.
- Extended Transportation Expenses Coverage - KIP ONLY - \$30/\$900 Increased Transportation Expenses Coverage is included at no additional charge.
- Cancellation - KIP ONLY - return premium is computed on a Pro Rata basis.
- Classifications - Experienced Operator Credit - If the principal operator of the auto is aged 55 and over and no inexperienced operators apply to the vehicle, apply a 3% discount to the BI and PD Liability, Med Pay, Coll and Coll premiums.
- Deferred Premium Payment Plans - a monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a \$1 monthly service charge is applied per billing.
- Kemper Network Deviation 7%: Certain criteria apply.
- Anti Theft Devices Discount - credit varies.
- Eff 7-1-03 PC062834 North Carolina Department of Insurance

American Security Insurance Company

- Deviation: Charge as premium for comprehensive (full coverage) & collision (\$100 deductible), the NC Rate Bureau base rates, which became effective January 1, 1984 for territory 17, separately for each coverage. Premiums so determined are applied statewide regardless of territory, no primary or secondary rating factors are applied.
- Eff. 2-1-86

American Southern Insurance Company

- 12.5% Elite Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 5% Preferred Driver Discount: Applies to each vehicle, each driver when meeting criteria. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 2% AAA Carolina Affinity Group Discount when insured is a member of AAA Carolinas. Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, collision & other than collision premiums.
- 10% Renewal Discount Program applicable to each vehicle when policy holder has been insured with American Southern for three continuous years and which is loss free. Discount applies to bodily injury, property damage, med payments, collision & other than collision premiums otherwise applicable to the vehicle.
- 5% Multiple policy discount applicable to each vehicle when the policyholder places both automobile and homeowners coverage through the American Auto Club Insurance Agency. Discount applies to Bodily Injury, Property Damage, Medical Payments, Collision and Other Than Collision premiums.
- 10% Super Preferred Driver Discount.
- Eff. 6-15-04 PC071954 Filing Detail

American States Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where principal operator is aged 55 & over with no inexperienced operator in household.
- Eff. 4-19-91

American States Preferred Insurance Company

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff. 10-4-07 PC106019 North Carolina Department of Insurance

AMICA Mutual Insurance Company

- Downward Deviation to Base Rates for BI, PD, med pay, uninsured/underinsured motorists, comprehensive & collision.
- Charge \$2 in lieu of \$3 each installment with certain exceptions.
- Eliminate additional charge \$2 on 1st installment of installment payment for insureds participating in the Account Billing Payment Plan.
- Eliminate additional charge \$2 for the first installment payment.
- Eliminate additional charge \$2 for 1st installment payments for group policyholders who pay through payroll deduction.
- Downward deviations to one year short-rate cancellation.
- Multi-Line discount.
- Eff. 6-1-07 PC101534 North Carolina Department of Insurance

Arch Insurance Company

- 15% private passenger auto comprehensive & collision rates.
- Eff 9-29-92

Argonaut Insurance Company

- Advantage Discount: 13.5% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Multi-Car Discount: 23.7% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Preferred Driver Discount: 10% discount applies to bodily injury, property damage, medical, collision & comprehensive for single car auto policies.
- Eff. 4-1-00 PC031707 North Carolina Department of Insurance

Arrowood Indemnity Company

Associated Indemnity Corporation

- Various deviations on auto comprehensive coverage for all vehicles equipped with an alarm device.
- Discount on auto comprehensive coverage for all vehicles equipped with active disabling devices.
- Discount on comprehensive for vehicles equipped passive disabling devices.
- Anti lock brake discount.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Account Credit
- Installment Payments.
- Eff. 10-01-03 PC064661 North Carolina Department of Insurance

Association Insurance Company

- 12.5% non-fleet private passenger auto liability & physical damage insurance rates.
- 32.5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for SAS Institute Employees.
- Eff. 1-1-96

Assurance Company of America

- 5% non-fleet private passenger auto liability bodily injury, property damage & medical payments.
- 15% non-fleet private passenger auto comprehensive & collision.
- 7.5% non-fleet private passenger auto bodily injury, property damage, medical payments comprehensive & collision coverage for drivers with 30 yrs. driving experience & no inexperience operator on policy.

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 3 consecutive yrs. with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for 6 consecutive yrs. with "0" SDIP pts.
- 5% non-fleet private passenger auto liability, property damage, comprehensive & collision coverage if named Insured is an educator.
- 5% non-fleet private passenger auto bodily injury & property if auto has anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 10% non-fleet private passenger auto comprehensive if auto has anti-theft device.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision of Insured has homeowners policy with Assurance.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 20% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Atlantic Casualty Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following.

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Pre-arranged racing or knowingly lending a motor vehicle to be used in pre-arranged racing.
 - Transporting illegal intoxicating liquors by motor vehicle.
- 37% non-fleet private passenger bodily injury & property damage, single car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments: \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
 - 33% non-fleet private passenger bodily injury & property damage, multi-car policies with limits of liability that do not exceed \$25,000/\$50,000 bodily injury, \$25,000 property damage, \$2,000 medical payments, \$25,000/\$50,000/\$25,000 uninsured motorists for operators with 3 yrs. or more driving experience & limits of \$50,000/\$100,000 bodily injury, \$50,000 property damage, \$2,000 medical payments, \$50,000/\$100,000/\$50,000 UM/UIM for operators with 5 yrs. or more driving experience with 12-20 SDIP pts.
 - Eff. 7-1-94

MOTORCYCLE

- 9% average deviation for private passenger motorcycle physical damage.
- 15% average deviation private passenger motorcycle bodily injury & property damage.
- Eff. 7-1-91

Auto Owners Insurance Company

Premier Program

- Mature Driver Discount: Applies to non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision coverages for insureds 55 - 74 yrs. of age: Credit varies 2%.
- Multi Policy Discount Auto/Home; Auto/Life; Auto/Umbrella Discount for BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity \$5,000 at no additional charge.
- Total Disability Benefits \$35 weekly at no additional charge.
- Auto Owners Premier Discount, bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid in full discount.
- Eff 5-19-06 PC088329

Standard Program

- Multi Policy Discount: (Auto/Home; Auto/Life; Auto/Umbrella) 5% credit applies to BI, PD, Med Pay, comprehensive & collision.
- Auto Death Indemnity
- Total Disability Indemnity
- Paid in Full Benefits Discount
- Eff. 5/19/06 PC088330

Bankers Standard Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payment, uninsured motorist, combined uninsured motorist & underinsured motorist, comprehensive & collision.
- Eff. 3-18-97

Burlington Insurance Company

- 15% private passenger auto physical damage insurance rates.
- Eff. 5-28-87

Central Mutual Insurance Company

- Package credits allowed for both Private Passenger Auto and Homeowners whenever the Central Companies carry both Auto and Homeowners coverages. Certain criteria applies, credits vary.
- Deviation (5%) will apply to BI, PD, Med Pay, Comp and Coll coverages for principal operators age 55-69 or principal operators 34-38 years driving experience with no SDIP points and no Inexperienced operators In household.
- Deviation (5%) on Comp coverage for vehicle equipped with alarm only and active anti-theft disabling device; Deviation (15%) on Comp coverage for vehicle equipped with passive anti-theft disabling device.
- Deviation for 'First Accident Forgiveness' program. Certain criteria apply.
- Installment Charge Deviation For Electronic Funds Transfer Option – A 100% deviation applies to the North Carolina Rate Bureau's \$3 installment charge when the Insured selects an option to electronically transfer the payment from his banking account to our account. The fee for the automatic withdrawal would then be \$0 instead of \$3 per Installment / withdrawal.
- Deviation for eligible Exceptional Drivers.
- Deviation for single car risks with additional company-owned vehicles.
- Deviation for eligible Superior Drivers. (Central Premier) Certain criteria apply.
- Custom Loyalty Credit
- Deviation for Acceptable Drivers
- Eff 2/1/06 PC089112 North Carolina Department of Insurance

Century Indemnity Company

- 10% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 6-1-89

The Charter Oak Fire Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi Policy)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Hybrid Vehicle Discount – type of fuel used 10% discount.
- Eff 12-6-06 PC096384 North Carolina Department of Insurance

The Cincinnati Insurance Company

- 17% downward deviation on NCRB collision rates.
- 5% deviation on NCRB other than collision rates.
- 10% downward deviation applied to liability & physical damage rates for companion policy.
- Installment Payment Plan.
- 10% downward deviation on NCRB BI rates.
- 3% downward deviation on NCRB PD rates.
- 9% downward deviation on NCRB Combined Single Limit rates.
- 19% Downward deviation on NCRB Medical Pay rates.
- Eff. 9-1-07 PC101533 North Carolina Department of Insurance

Citizens Insurance Company of America

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for principal operators in household age 55 or older where there are no other operators in household with less than 3 yrs. driving experience. This is a per vehicle credit.
- Account Credit: 5% non-fleet private passenger auto comprehensive & collision coverage if Insured has Homeowners policy with The Hanover Insurance Company.
- Non-Smoker Discount: 5% non-fleet private passenger auto comprehensive & collision coverage if no drivers have smoked in the past 15 months.
- 10% deviation for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Renewal Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Less than 3 yrs-0%; 3-5 yrs.-3.0%; 5 yrs or more-6.0%.
- Eff. 9-1-94

Colonial American Casualty and Surety Company

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Commercial Insurance Company of Newark, New Jersey

Classic Auto Program

- Deviation for bodily injury, property damage & medical payments premium for all territories.
- Comprehensive, collision, fire only & theft only premiums deductible deviation factors for all territories.
- Uninsured motorists coverage, combined uninsured/underinsured motorist coverage deviation for all territories.
- Eff. 8-1-00

Continental Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Companion Policy Discount: 10% credit applies if named Insured has an homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Eff. 7-3-01

Continental Indemnity Company

- Discount for Qualified Preferred Drivers: 17.5% credit physical damage-5% credit liability when certain criteria is met.
- Discount for Qualified Standard Drivers: 5% credit physical damage when certain criteria is met.
- Account Credit Program: 10% credit when certain criteria is met & both homeowners & auto policies are written through CNIC.
- Anti Lock Braking System Discount: 5% credit.
- Mature Driver Discount: 5% credit when certain criteria is met.
- Eff. 1-1-01 PC038499 North Carolina Department of Insurance

Depositors Insurance Company

- Matrix Deviation
- Eff 8-10-07 PC104819 North Carolina Department of Insurance

Economy Fire and Casualty Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 10-4-07 PC107614 North Carolina Department of Insurance

Economy Preferred Insurance Company

- Territory Deviation
- Experience driver deviation.
- Age 55 and over deviation.
- Preferred customer discount.
- Superior driver discount.
- Multi-Policy discount.
- Mass merchandising Account deviation.
- Payroll deduction discount.
- Employment tenure discount.
- Eff 10-4-07 PC107604 North Carolina Department of Insurance

Economy Premier Assurance Company

- 5% Pak II Package Credit: Applies to comprehensive & collision base premiums when certain criteria is met.
- Pak II Renewal Credit: 3%-5% credit applies to final premium when insured has maintained an auto or homeowners policy written with a Metropolitan Company.
- Age 55 or Older Credit: 1%, 5%, or 10% credit applies to non-fleet private passenger bodily injury and property damage liability, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- 10% Good Driver Credit when certain criteria is met.
- Symbol Relativities Deviation.
- Increased Limits Extended Transportation Deviation: No additional charge when comp coverage is purchased.
- Passive Restraint Credit: 20% for driver side airbag; 30% for both front outboard seat position airbags.

- Anti-Theft Device Credit: 5% applies to alarm only & active disabling devices: 15% for passive disabling devices.
- 5% Anti-Lock Braking System Credit when it's factory installed on all 4 wheels.
- Golfmobile Liability: No additional charge.
- ATV, Minibike & Dune Buggy combined BI & PD liability rates are same as the N.C. Rate Bureau's snowmobile rates.
- ATV, Minibike & Dune Buggy Medical Payment rates will be 23% of territory 11 private passenger auto med pay rates.
- ATV, Minibike & Dune Buggy Collision rates are same as the N.C. Rate Bureau's snowmobile rates.
- 10% Recreational Vehicle Multi-Vehicle Credit: Eligibility requirements must be met.
- Premium Payment Plan Deviation.
- Eff. 6-01-01 PC040072 North Carolina Department of Insurance

Electric Insurance Company

- Territory Deviation applicable to comprehensive and collision coverages, credit varies by territory when all program criteria is met.
- Tier Level Deviations when criteria is met.
- Safe driver discount when criteria is met.
- Elfun Society Membership discount.
- Mass Marketing Discount.
- Operator of vehicle is 55 yrs or older.
- Multi Policy Credit: credit applies when insured has a HO- 2, 3, 4 or 6 policy with Electric Insurance.
- Installment Payment through electronic funds transfer.
- Eff. 11-16-06 PC095961 North Carolina Department of Insurance

Employers' Fire Insurance Company

- Bodily Injury base rate deviation.
- Property Damage base rate deviation.
- Medical Payments base rate deviation.
- Uninsured/underinsured Motorists base rate deviation.
- Eff 11-1-07 PC104694 North Carolina Department of Insurance

Employers Mutual Casualty Company

- Multi-Policy Credit: 10% when auto & homeowners coverage are written with Employers Mutual Casualty Company and/or Emcasco Insurance Company.
- Safety Equipment/Anti-Theft Discount: 20% med pay premium passive restraint on driver side only. 30% med pay premium passive restraint on both sides. 5% on bodily injury & property damage premium for four wheel anti-lock braking system. 5% comprehensive premium for alarm & active disabling devices. 15% comprehensive premium for passive disabling devices.
- Installment Payment Plan: \$3 charge waived when method of payment is through electronic funds transfer.
- Eff. 5-25-97

Encompass Indemnity Company

- Anti-Theft device discount.
- VIN etching discount.
- Accident/Violation Free Discount.
- Daytime running light discount.
- Companion discount.
- Various discounts for airbags.
- Anti-lock braking system.
- Preferred Plus tier.
- Group program deviation.
- Effective 10-1-04 PC075213 North Carolina Department of Insurance

Classic Automobile Program

- Deviation for Bodily Injury, Property Damage, Medical Payments – All Territories.
- Deviation for Uninsured/underinsured Motorists – all territories.
- Eff 9-1-04 PC 075210 North Carolina Department of Insurance

Erie Insurance Company

- Pioneer Experience Rating Credit Discount: Applies to private passenger auto bodily injury, property damage, comprehensive & collision on a Pioneer Family Auto Policy. Other criteria apply.
- Age 55 and over deviation
- Anti-lock brake deviation systems on BI and PD on all four wheels.
- Anti-theft devices.
- Feature 15: SDIP surcharge will be waived for any at-fault accident presented on an Erie personal auto policy which has been in force 15 or more yrs.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles:

- Pro rata cancellation and Pro-Rata Table.
- Multi-Policy Discount:
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Effective 5-15-06 PC089588 North Carolina Department of Insurance

Erie Insurance Exchange

- Base rate deviations by territory on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages, by Territory.
- Age 55 and over 5% deviation on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Anti-Lock Brake deviation on Bodily Injury and Property Damage.
- Anti-Theft Device deviation on Comprehensive.
- First Accident Forgiveness - The SDIP surcharge will be deviated for the first at-fault accident presented on an Erie Personal Auto Policy.
- Feature 15 -- The SDIP surcharge will be deviated for the following at-fault accidents presented on a Personal Auto Policy which has been continuously in force with the Erie Insurance Group for 15 or more years, see Exception Page 3. (1) 1 point 15% deviation (2) 2 points 40% deviation (3) 3 points 65% deviation.
- Premium Payment Plan Service Charge - Installment Payments deviation.
- Coverage for Rented Vehicles - waive \$4 charge for this coverage.
- Pro-Rata Cancellation and Pro-Rata Table for all policies.
- Comprehensive Deductible factors deviation.
- Multi Policy Discount:
- Pioneer Experience Rating Credit Discount(PERC): Certain criteria apply.
- Driving Experience Factor(DEF) Deviation: Certain criteria apply.
- Multi Car Risks - Separate Policies: Certain criteria apply.
- Reduced Usage Discount: Certain criteria must be met.
- Tiered Rating
- Payment Plan Discount.
- Eff 11-15-06 PC097086 North Carolina Department of Insurance

Fairmont Premier Insurance Company

- 10.7% non-fleet private passenger auto bodily injury, property damage, medical payments, collision, uninsured BI and combined uninsured/underinsured BI; 15.5% comprehensive.
- Free of at fault accidents: 3-6 yrs.; 10%-non-fleet private passenger auto bodily injury, property damage, medical payments & collision; Over 6 yrs.-15%.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal operators age 55 and over where there is no principal operator in household.
- BMW model yrs. 1995 & newer. 20% comprehensive; 10% collision.
- Eff. 3-1-98

Farm Bureau Insurance of North Carolina Inc.

- 55% deviation applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following: a) manslaughter or negligent homicide resulting from the operation of a motor vehicle, b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death (hit and run driving), or d) transportation for the sale of illegal intoxicating liquors by motor vehicles.
- Effective 10-1-04 PC073968 North Carolina Department of Insurance

Farmers Insurance Exchange

- Ultra Premier Rating Plan Deviation
- Base Rate Deviations: BI, PD Med Pay, UM/UIM (BI,PD), Collision & other than Collision for Premier & Preferred Rating Plans.
- Auto/Home Discount & Auto/Renters Discount: Certain criteria apply.
- Anti-Theft Device Discount: ½ % discount applies to Comprehensive when a vehicle is equipped with a passive anti-theft device.
- Anti-Lock Brakes Discount: ½ % discount applies to BI, PD, Med Pay & Collision: Factory Installed ABS, all 4 wheels.
- SDIP Point Free Credit: ½ % discount applies to BI, PD, Med Pay, Comp, & Collision if all operators in household have no SDIP pts.
- Experienced Operator Credit: Varied credits apply to BI, PD Med Pay, Comprehensive & Collision.
- Eff. 9/1/05 PC082833 North Carolina Department of Insurance

Federal Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist for antique auto.
- Reduced rates for physical damage coverages for antique autos.
- Deviation for Split Limit Bodily Injury Increased Limits.

- Eff. 7-1-03

Federated Mutual Insurance Company

- 5% non-fleet private passenger liability & physical damage when homeowners & personal umbrella policy is written with Federated Mutual Insurance Company.
- Installment Payment Plan: \$2 charge each installment subject to max. of \$5 per account for all policies.
- Eff. 4-21-95

Fidelity & Casualty Company of New York

- Deviation on BI, Prop Dam, Medical Payments - factors vary.
- Deviation on Uninsured Motorist and Combined Uninsured/underinsured Motorist Coverage - factors vary.
- Eff. 1-1-04 PC063945 North Carolina Department of Insurance

Classic Auto Program

- Deviations for bodily injury, property damage & medical payments, all territories. Factors vary.
- Uninsured motorist coverage, combined uninsured/underinsured motorist coverage deviation, all territories. Factors vary.
- Eff. 01-01-04 PC064886

Fidelity & Deposit Company of Maryland

- 20% non-fleet private passenger auto bodily injury and property damage. 30% physical damage.
- 10% non-fleet private passenger auto bodily injury, property damage, med pay, comp. & collision age 55 and over.
- Good Driver Discount: 10% non-fleet private passenger auto liability, property damage, medical payments, comprehensive & collision when principal operator(s) has no fault accidents & no moving violation in past 3 yrs.
- Anti-Theft Device: Deviation varies 5% - 10% for non-fleet private passenger auto comprehensive.
- Eff. 1-1-98

Fidelity & Guaranty Insurance Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Fidelity & Guaranty Insurance Underwriters

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Firemans Fund Insurance Company

- 5% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with an alarm and/or active device.
- 15% non-fleet private passenger auto comprehensive coverage for all vehicles equipped with passive disabling device.
- 5% non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all vehicles equipped with a factor installed four wheel Anti-Lock Braking System.
- 10% non-fleet private passenger auto to all coverage, except uninsured motorist, to auto insured who also maintained homeowners, condominium or tenants policy for primary residence with American Automobile Insurance Company.
- Various deviations on bodily injury, property damage, combined single limits, medical payments, extended transportation expense, collision, & comprehensive coverages.
- Electronic Funds Transfer Program: No charge.
- Eff. 10-1-03 PC064658 North Carolina Department of Insurance

Firemen's Insurance Company of Newark, New Jersey

- Anti-Theft Device Discount: Certain criteria apply.
- Vin Etching Discount: 5% credit applies when criteria are met.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.

- Companion Policy Discount: 10% credit applies when named insured has a homeowners policy with any Encompass Insurance Company.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Preferred-Plus Rating Tier: Certain criteria apply.
- Employee or Affinity Group Discount
- Eff. 7-3-01

Flemen's Insurance Company of Washington D.C.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured/underinsured motorist, comprehensive & collision coverage.
- Eff. 11-1-94

First Financial Insurance Company

- 15% non-fleet private passenger physical damage rates.
- Eff. 12-7-87

First Liberty Insurance Corporation

- Group Plus Discount Program applicable to Collision, Comprehensive, Bodily Injury and Property Damage rates when insureds pays premium by salary deduction
- Mature Driver Discount applicable to Bodily Injury, Property Damage, Collision and Comprehensive rates provided all operators in the household is age 55 or older and there is no inexperience operator in the household.
- Waive the additional \$3.00 charge on the first installment on the Installment Payment Plan
- College Education Discount Program - 10% discount on Bodily Injury, Property Damage, Medical Payments and Physical Damage
- Homeowners Discount
- Liability Single Limits (Property Damage) deviation
- Liability Split Limits (Bodily Injury) deviation
- Property Damage Limits deviation.
- Short Rate Cancellation deviation
- New Customer deviation.
- Eff. 4-23-07 PC101062 North Carolina Department of Insurance

First National Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Eff. 10-4-07 PC106016 North Carolina Department of Insurance

Foremost Insurance Company

- Installment Payments
- Eff 12/1/06 PC099237 North Carolina Department of Insurance

GEICO Indemnity Company

- Associate Discount: non-fleet private passenger applies to auto total policy premium.
- Installment Payment Plan: \$1.50 for Electronic Fund Transfer payments.
- E-Banking Discount.
- Eff. 11-1-07 PC107943 North Carolina Department of Insurance

Garrison Property and Casualty Insurance Company

- Deviation on liability, physical damage, medical payments, uninsured motorists, extended transportation, towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.

- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named non-owner policy deviation.
- Eff 7-1-07 PC100835 North Carolina Department of Insurance

General Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Effective 10-4-07 PC106017 North Carolina Department of Insurance

Globe Indemnity Company

- Installment Payment Plan – Agency Payroll Deduction – certain criteria apply
- Effective 5-15-04 PC069382 North Carolina Department of Insurance

General - U S Branch

- 10% non-fleet private passenger auto liability bodily injury & property damage for operator licensed 15 or more yrs. & all drivers total 7-11 SDIP pts.
- 20% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 15 or more yrs. & all drivers total 12-20 SDIP pts.
- 15% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 10 yrs., but less than 15 yrs. & all drivers total 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage for operators licensed 5 yrs., but less than 10 yrs. & all drivers total of 12-20 SDIP pts.
- 5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 11,13,17,31,32,41 or 47.
- 7.5% non-fleet private passenger auto liability bodily injury & property damage rates where vehicles are garaged in territories 24,26,33 or 43.
- Eff. 2-9-94

Government Employees Insurance Company

- Base Premium Deviation applicable to comprehensive & collision by territory, credit varies.
- Bodily Injury Increased Factor Deviation.
- Deviation on comprehensive & collision coverage for drivers 55 yrs. or older & auto is not surcharged for an inexperienced operator.
- Deviation on total policy premium for Sponsored Marketing Group Pricing Track: Certain criteria apply.
- Motorcycle Safety Course Credit:
- 5 Year Good Driving Discount: Certain criteria apply.
- Associate Discount: credit to total policy premium.
- Military Discount Deviation for members on bodily injury, property damage, medical payment, comprehensive & collision. Credit varies.
- Tier Discount: Applies to bodily injury, property damage, collision, comprehensive, medical payments & uninsured/underinsured motorists coverages: Certain criteria apply.
- SDIP Factors Discount
- Installment Payment Plan: for Electronic Fund Transfer payments.
- Primary Classification Rating Factors.
- Emergency Road Service.
- E-Banking Discount.
- Eff. 11-1-07 PC107944 North Carolina Department of Insurance

Grain Dealers Mutual Insurance Company

- Premier Program - 10% deviation will be applied to personal auto base rates that qualify.
- Accident Free 5% credit when a policy has been in force with Grain Dealers for three years and has been accident free for that period.
- Accident Free 10% credit when a policy has been in force with Grain Dealers for five years and has been accident free for that period.
- New Policy Credit.
- Eff 9-15-05 PC085131 Filing Detail

Graphic Arts Mutual Insurance Company

- Superior Program Deviation: 5% non-fleet private passenger auto bodily injury, property damage liability & physical damage rates.
- 15% discount on base rates for employees of Utica National Insurance Group.
- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Company.
- Personal Auto Account Credit: 10% credit applied to basic premiums, when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) Program or is a member of a company approved affinity group.
- 5% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC036563 Filing Detail

Great American Alliance Insurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Occurrence Free Credit: 4% applies to bodily injury, property damage, medical payments, & comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043047 North Carolina Department of Insurance

Great American Assurance Company

- Renewal Policy Credit: 3% on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Credit applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, medical payments, comprehensive & collision.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043048 Filing Detail

Great American Insurance Company

- Various downward deviations for non-fleet private passenger auto bodily injury & property damage by territory. Credit varies. Certain criteria apply.
- Various downward deviations for non-fleet private passenger auto comprehensive & collision for chargeable or no chargeable activity when criteria is met. Credit varies.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mature Driver Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with 29-49 driving experience.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviation on bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% downward deviation for non-fleet private passenger auto bodily injury, property damage, med payments,

comprehensive & collision. Certain criteria apply.

- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043046 North Carolina Department of Insurance

Great American Insurance Company of NY

- Various downward deviations on comprehensive & collision for chargeable & no chargeable activity. Certain criteria apply.
- 3% downward deviation on bodily injury, property damage, medical payments, comprehensive & collision for insured who has had in force a homeowners HO-3 or HO-6 policy as of June 24, 2000.
- Companion Policy Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Company Car Credit: 8% non-fleet private passenger auto bodily injury, property damage, med payments, comprehensive & collision for single car policies when there is a company car in the household.
- Loss Free Renewal Credit: Various downward deviations for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Mass Marketing Credit: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision. Certain criteria apply.
- Physical Damage Symbol Deviation: Downward deviation for physical damage, comprehensive and collision coverages.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment fee \$1.
- Eff. 2-15-02 PC043049 North Carolina Department of Insurance

Great American Security Insurance Company

- Renewal Homeowner Credits: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply. 2% comprehensive & collision only: Certain criteria apply.
- Multi-Car Credit: 3% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Married Credit: 2% applies to bodily injury, property damage & medical payments if eligibility requirements are met.
- Mass Marketing Credit: 5% applies to bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive & collision. Credit applied to members of an employer based account written through an agent who has been specifically contracted with our marketing systems division to provide this discount.
- Territory Deviation: 2% credit applies to bodily injury, property damage, medical payment, uninsured/underinsured motorist, comprehensive & collision for garaging location in territory 11,13,15,18, 51 or 52.
- Occurrence Free Credit: 4% credit applies to bodily injury, property damage, medical payments, comprehensive & collision based on SDIP pts. record.
- Companion Policy Credit: 3% credit applies to bodily injury, property damage, medical payments, comprehensive & collision for drivers meeting eligibility requirements.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer: Installment Fee \$1.
- Eff. 2-15-02 PC043045 North Carolina Department of Insurance

Great American Spirit Insurance Company

- Renewal Homeowner Credit: 3% applies to bodily injury, property damage, med pay, comprehensive & collision: Certain criteria must be met.
- Miscellaneous Coverage Deviation for vehicles that carry comprehensive & collision.
- Full Pay Deviation: Applies to bodily injury, property damage, med payments, uninsured motorists, comprehensive & collision when insured elects to pay premium in full up front.
- Electronic Funds Transfer Deviation: Installment Fee \$1.
- Eff. 2-15-02 PC043044 North Carolina Department of Insurance

Guaranty National Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
- b. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
- c. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
- d. Transporting illegal intoxicating liquors by motor vehicle.
- e. DUI violation involving drugs.

Liability

- 61% deviation to single car with 12 SDIP points
- 50% deviation to single car with 13-15 SDIP points.
- 37% deviation to single car with 16-20 SDIP points.
- 44% deviation to multi car with 12-15 SDIP points
- 33% deviation to multi car with 16-20 SDIP points.

Physical Damage

- 21% deviation with 3 or more SDIP pts.
- Eff. 1-4-04 PC067647 North Carolina Department of Insurance

GuildeOne Mutual Insurance Company

- 55% non-fleet private passenger auto liability & physical damage rates on autos rated as Class 3 under Rule 4 of the NC Personal Auto Manual.
- Eff. 2-1-89

Hanover American Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverage for operators 55 yrs. of age or older, when no operators in household with less than 3 yrs. driving experience.
- Account Credit Program: 5% non-fleet private passenger auto comprehensive & collision coverage, if insured has homeowners with any of the Hanover Insurance Companies.
- Territorial Deviation: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision; Credit varies.
- Renewal Credit: 3 yrs. to less than 5 yrs. - 3.0%; 5 yrs. or more - 6.0%; Must be insured with Hanover American Insurance Company or within an agency which Hanover represents.
- Installment Pay Plan By Electronic Funds Transfer: Installment charges waived.
- Group Modification Plan: Deviation range 0.5% to 15.5%.
- Installment Payment Plan: Four payment plan \$3 per installment excludes first installment charge.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Eff. 4-1-02

The Hanover Insurance Company

- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Installment Pay Plan by Electronic Funds Transfer: No service charge.
- Group Modification Plan Deviation: 0% to 15.5%.
- Installment Payment Plan: \$3 charge for each installment, excluding first installment.
- Eff. 4-1-02

Harbor Specialty Insurance Company

- 10% non-fleet private passenger auto physical damage insurance rates for risks with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates if principal operator of vehicle is age 55 or older.
- 15% non-fleet private passenger auto comprehensive & collision rates for risks with "0" SDIP pts. Policy must be a part of Personal Protection Program.
- 5% non-fleet private pass auto BI, PD & Med Pay rates for risks with "0" SPID pts.
- Eff 2-1-94

Harleysville Mutual Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096330 North Carolina Department of Insurance

Harleysville Preferred Insurance Company

- Preferred customer discount.
- StarPak Program Discount – Certain criteria, credits vary.
- Companion Credit
- Lifer Insurance Policy Discount.
- Group discount-affinity.
- Eff 9-12-06 PC096331 North Carolina Department of Insurance

Hartford Casualty Insurance Company

- Agency Book Transfer credit, HC-3
- Eff 3-1-05 PC079093 North Carolina Department of Insurance

Hartford Fire Insurance Company

- Principal Operator age 55-69 Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Principal Operator age 70 or over Deviation: BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- All other operators deviation BI, PD, Med Pay, Comp & Collision – rate factors by territory.
- Account Credit: 14% non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision, if insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit.
- Eff 3-1-05 PC079091 North Carolina Department of Insurance

Hartford Underwriters Insurance Company

- Defensive Driver Credit 10% if Principal Operator has completion certificate dated within last 36 months, certifying that Principal Operator has both successfully & voluntarily completed course meeting standards of the N. C. Department of Transportation.
- Account Credit, 5% if policyholder has homeowners policy in effect in the AARP Homeowners Insurance Program.
- Renewal Credit Discount: 3-5 yrs. - 2%: 6 or more yrs. - 8%: Certain criteria apply.
- Incident Free Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Safe Driver Plus Credit: 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when criteria is met.
- Advantage Discount: 10% credit when criteria is met.
- Eff. 10-16-07 PC105131 North Carolina Department of Insurance

Horace Mann Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 8-21-07 PC105058 North Carolina Department of Insurance

Horace Mann Property & Casualty Insurance Company

- Territory Deviation, no chargeable SDIP Points, no inexperience operator, eligible for credit rating tier 1,2,3,4,6, or 9 and all drivers in the household have at least 5 years of driving experience. Bodily Injury, Property Damage, Comprehensive, and Collision
- Driver Quality Deviation-years of claim free. Bodily Injury, Property Damage, and Collision.
- Multi line (Multi Policy) Deviation, Educator/Non-Educator, no chargeable SDIP Points, eligible for credit rating tier 1,2,3,4,6,9,A,B,C,D,F, or J, and principal driver must not be an inexperienced operator. Bodily Injury, Property Damage and Collision.
- Member Only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents for five consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments No installment fee charged on the first installment. (Personal Auto Manual Rule 22)
- Credit Rating Deviation, Bodily Injury, Property Damage, Comprehensive, and Collision.
- Administrator Deviation-School Administrator, Bodily Injury, Property Damage, Comprehensive and Collision.
- Young Educator Program Deviation (Classroom teacher), 6, 7, or 8 years of driving experience, Bodily Injury, Property Damage, Comprehensive and Collision.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments and Collision.
- Eff. 11-15-06 PC096438 North Carolina Department of Insurance

IDS Property

- Accident Free Discount.
- Auto/Homeowner Discount
- Comprehensive and Collision Discount.
- Installment Pay Plan.
- Work Site Discount.
- Costco Member Discount.
- Multi-car Discount.
- Bodily Injury and Property Damage base rate Discount.
- Eff 9/1/06

Indemnity Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Infinity Insurance Company

CLASSIC COLLECTORS PROGRAM

- BI & PD Deviation
- Comp and Coll coverage deviation
- UM/UIM coverage, Med Pay & Towing deviation
- Eff 1-1-06 PC088103

Infinity Standard Insurance Company

- For Deviations see the North Carolina Department of Insurance Website.
- Eff 7-22-02 PC052902 North Carolina Department of Insurance

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Insura Property and Casualty Insurance Company

- Multi Policy Discount: 7.5% credit when Homeowners policy is written in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Variable credit.
- Longevity Discount: 5% credit to auto policies that have been in force for past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no driver with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies only.
- .837 Discount Factor for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision on all Insura Premier policies.
- Eff. 1-27-03 PC056566 North Carolina Department of Insurance

Insurance Company of North America

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Insurance Corporation of Hannover

- Discount for Qualified Preferred Drivers: 10% applied to physical damage; 5% applied to liability when criteria is met.
- Discount for Qualified Standard Drivers: 5% applied to physical damage when criteria is met.
- Account Credit Program Discount: 10% applies to bodily injury, property damage, med pay, collision & comprehensive when both homeowner & auto policies are written through ICH.
- Anti-Lock Braking System Discount: 5% applies to bodily injury, property damage, & med pay.
- Mature Driver Discount: 5% applies to bodily injury, property damage, med pay, collision & comprehensive when criteria is met.
- Loss/Incident Free Discount when criteria is met.
- Eff. 02-01-02

Integon Casualty Insurance Company

LIABILITY All deviation applicable to non fleet private passenger auto bodily injury & property damage coverage for all listed components.

12 point violation must not be one of the following;

- Manslaughter or negligent homicide.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Transporting illegal intoxicating liquors by motor vehicle.
- 37.6% deviation, multi-car policies with 15-17 SDIP pts. & 5+ yrs. driving experience.
 - 49.4% deviation, single car policies with 12-17 SDIP pts. & 5-6 yrs. driving experience.
 - 37.6% deviation, multi-car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 49.4% deviation, single car policies with 18-20 SDIP pts., married driver with 5-38 yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., unmarried with 5+ yrs. driving experience.
 - 11.8% deviation, multi-car policy & single car policy with 18-20 SDIP pts., married driver with 39+ yrs. driving experience.
 - 49.4% deviation, single car policy with 12-17 SDIP pts. & driving experience of 39+ yrs.
 - 54.1% deviation, single car policies with 15-17 SDIP pts. & driving experience of 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 5-6 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. single driver with 7-38 yrs.
 - 37.6% deviation, multi-car policies with 12-14 SDIP pts. & driving experience of 39+ yrs.
 - 45.9% deviation, multi-car policies with 12-14 SDIP pts. married drivers with 7-38 yrs driving experience.
 - 58.8% deviation, single car policies with 12-14 SDIP pts. & driving experience of 7-38 yrs.
 - Installment payment plans fees waived for GMAC insurance employees.
 - 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.

- Eff. 7-1-03 PC062682 North Carolina Department of Insurance

Integon General Insurance Corporation

- 3.3% average deviation on non-fleet private passenger auto physical damage rates for risks with 5 or more SDIP pts. Non-owners policies do not qualify.
- Installment payment plans fees waived for GMAC Insurance employees.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the agg of all other liab dev is equal to or greater than 3%.
- Eff. 7-1-03

Integon Indemnity Corporation

- Installment payment plan fees waived for GMAC Insurance employees.
- 1.2% average deviation non-fleet private passenger auto Comp rates. Non-owners policies do not qualify.
- 3% on all policies eligible for vol liab under the company's u/w guidelines with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if all liab dev combined is equal to or greater than 3%.
- 21.2% Average dev on collision rates. Non-owners policies do not qualify for this dev.
- Eff. 7-1-05 PC084371 North Carolina Department of Insurance

Integon National Insurance Company

Non Preferred Program

- .34 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .50 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- 2.3% average deviation on non-fleet private passenger auto comprehensive insurance rates. Non-owners policies do not qualify for this deviation.
- 31.9% average deviation on non-fleet private passenger auto collision insurance rates. Non-owners policies do not qualify for this deviation.
- .38 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 13-16 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .40 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with 17-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .54 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 13 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .56 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 14-15 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .58 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for multi car policies having 16-23 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle.
- .74 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .72 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates for single car policies with minimum Financial Responsibility limits of

liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.

- .70 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 5 to less than 10 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .62 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 0 to less than 1 year NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .60 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 1 to less than 2 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.
- .59 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates for single car policies with minimum Financial Responsibility limits of liability and having only one driver who has 2 to less than 3 years NC driving experience, proof of 10 to less than 51 years foreign (out of country) driving experience, and 0-23 SDIP points.

ULTRA PREFERRED AND PREFERRED PROGRAM DEVIATIONS

- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and have married drivers with 14 to less than 44 years driving experience. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines.
- .94 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with proof of homeownership.
- .98 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 100/300.
- .80 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra-preferred underwriting tier. This deviation applies only to policies qualifying for a superior credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.25 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has one or more at fault accident.
- 1.12 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 4 to less than 5 years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra-preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies where one of the following criteria is met: 1) GMAC/Ditech Mortgage customer, 2) GMAC Auto Loan customer, 3) GMAC Auto Lease customer, 4) GM Credit Card customer, 5) GMAC Demand/Smart Note customer, 6) GM/GMAC Employee/Retiree or member of an approved employee group, or 7) GM Dealership employee.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with limits of 50/100.
- .89 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This deviation applies only to policies with limits of 250/500.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 2 to less than 3 years driving experience.
- 1.05 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.

- 1.15 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .75 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists, rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with no proof of prior insurance.
- .63 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on multi-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and married drivers with 14 to less than 44 years driving experience.
- .63 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for an ultra preferred credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- .88 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred underwriting tier. This deviation applies only to policies qualifying for a superior or ultra credit score. Deviation available only if risk is eligible for voluntary liability under the company's underwriting guidelines. Non-owners policies do not qualify for this deviation.
- 1.21 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an acceptable or above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.10 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies qualifying for an average, excellent or exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies with limits of 30/60. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.29 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with less than 1 year driving experience.
- 1.23 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 1 to less than 2 years driving experience.
- 1.17 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 3 to less than 4 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies and drivers who are not married.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with 1 SDIP point.
- 1.20 factor applies to all non-fleet private passenger auto Comprehensive and Collision insurance rates on policies in the ultra preferred underwriting tier where the policy has 1 SDIP point.
- .95 factor applies to all on all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 2 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 3 SDIP points.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision rates on policies in the ultra preferred or preferred underwriting tiers where the policy has 4 SDIP points.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with 14 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the ultra preferred or preferred underwriting tiers. This

factor applies only to policies with "0" SDIP points that are multi-car policies and drivers who are not married with less than 14 years driving experience.

- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies, and married drivers with 44 or more years driving experience.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are multi-car policies and married drivers with less than 14 years driving experience.
- 1.07 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies with "0" SDIP points that are single-car policies with married drivers.
- .96 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 9 to less than 14 years driving experience.
- .90 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 14 to less than 44 years driving experience.
- .95 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on single-car policies in the ultra preferred or preferred underwriting tiers where the policy has "0" SDIP points and drivers with 44 to less than 55 years driving experience.
- 1.15 factor applies to all non-fleet private passenger auto Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) wivable accident or violation, or e) at-fault accident in a company car.
- 1.10 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 5 to less than 6 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 6 to less than 7 years driving experience.
- 1.06 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 7 to less than 11 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 11 to less than 18 years driving experience.
- 1.01 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 18 to less than 37 years driving experience.
- 1.02 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 55 to less than 61 years driving experience.
- 1.08 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comprehensive and Collision Insurance rates on policies in the ultra preferred or preferred underwriting tiers. This factor applies only to policies where there is an operator with 61 or more years driving experience.
- .48 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .37 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have married drivers with 0 to less than 5 years driving experience. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .44 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists Insurance rates on policies in the ultra preferred underwriting tier. This factor applies only to policies having only a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b)

- .44 factor applies to all non-fleet private passenger auto Comp and Coll Insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 14 to less than 44 years driving experience.
- .40 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 14 to less than 44 years driving experience.
- .47 factor applies to all non-fleet private passenger auto Comp and Coll Insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are multi-car and have drivers with 44 to less than 55 years driving experience.
- .52 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with 13 - 18 points with a 12 point violation that is not one of the following; a) manslaughter or negligent homicide, b) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing, c) failure to stop and render aid when involved in an accident resulting in bodily injury or death, or d) transporting illegal intoxicating liquors by motor vehicle, that are single-car and have drivers with 44 to less than 55 years driving experience.
- 1.16 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, Underinsured Motorists, Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies with limits of 30/60.
- 1.20 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists, and Underinsured Motorists insurance rates on policies in the preferred underwriting tier where any driver has any of the following: a) prayer for judgment continued, b) not-at-fault accident, c) comprehensive claim, d) waivable accident or violation, or e) at-fault accident in a company car.
- 1.20 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with less than 5 years driving experience.
- 1.18 factor applies to all non-fleet private pass auto Comp and Coll insurance rates on policies in the preferred underwriting tier where the policy has 1 SDIP point and drivers with 5 or more years driving experience.
- 2.00 factor applies to all non-fleet private passenger auto Bodily Injury, Property Damage, Medical Payments, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.38 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an acceptable credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.32 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an above average credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.26 factor applies to all non-fleet private pass auto BI, PD, Med Pays, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- 1.20 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an exceptional credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .96 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for a superior credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .90 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra credit score. If the resulting rate is equal to or greater than NC Rate Bureau rates, the policy is ineligible for any deviation.
- .83 factor applies to all non-fleet private pass auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .76 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorists and Underinsured Motorists insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.33 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an average, acceptable or above average credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- 1.21 factor applies to all non-fleet private passenger auto Com and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an excellent or exceptional credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.

- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an superior, ultra or ultra preferred credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.
- .66 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies in the preferred underwriting tier. This factor applies only to policies qualifying for an ultra preferred plus credit score. If the resulting rate is equal to or greater than NCRB rates, the policy is ineligible for any deviation.

ULTRA PREFERRED, PREFERRED AND NON-PREFERRED PROGRAM

- Installment payment plan fees waived for GMAC Insurance employees and affiliates of GMAC Insurance.
- .97 factor applies to all non-fleet private passenger auto BI, PD, Med Pay, Uninsured Motorist, and Underinsured Motorist insurance rates on all policies eligible for voluntary liability under the company's underwriting guidelines, with at least one full coverage vehicle. (must have BI/PD and collision). This deviation will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- .97 factor applies to all non-fleet private passenger auto Comp and Coll insurance rates on policies set up on Electronic Funds Transfer payment plan.
- Eff 5/19/06 PC089479 North Carolina Department of Insurance

Integon Specialty Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff. 7-1-05 PC084372 North Carolina Department of Insurance

Kansas City Fire and Marine Insurance Company

- Anti-Theft Device Discount: Certain criteria apply.
- Accident/Violation Free Discount.
- Daytime Running Light Discount.
- Airbag Discount: Credit varies when certain criteria is met.
- Anti-Lock Braking System Discount.
- Group Program Discount.
- Eff. 9-1-00 PC034621 North Carolina Department of Insurance

Lancer Insurance Company

All deviations applicable to non-fleet private passenger auto comprehensive & collision coverages for single car and the insured may not have one of the following:

- Manslaughter or negligent homicide.
 - Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - Transporting illegal liquors by motor vehicle.
- 28% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 3-6 yrs. driving experience.
 - 45% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 48% for policies with 12-15 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 30% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 35% for policies with 10-11 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 20% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 7-14 yrs. driving experience.
 - 25% for policies with 8-9 pts.; based on model yr. of auto; driver has at least 15-45 yrs. driving experience.
 - 37% for policies with 8-15 pts.; based on model yr. of auto; driver has at least 3 yrs. driving experience.
 - Eff. 4-1-99

Liberty Mutual Insurance Company

- Group Savings Plus Discount: 5% credit: Certain criteria apply.
- Mature Driver Discount Program: 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when all operators in household are age 55 or older and there is no inexperienced operator in household.
- Installment Payment Plan.
- College Education Discount Program: 5% applies to bodily injury, property damage, med pay, & physical damage: Certain criteria apply.
- Homeowners Discount: when an insured maintains an eligible homeowners policy with any company. Other criteria apply.
- Liability single limits (BI) deviation, credit varies.
- Liability split limits (BI) deviation, credit varies.
- Single Limits (PD) deviation.
- Short Rate Cancellation deviation.
- New Customer downward deviation.
- Eff. 4-23-07 PC101061 North Carolina Department of Insurance

LM Property & Casualty Insurance Company

- 2% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for Senior Driver Discount. Certain criteria apply.

- 8% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for Long Term Discount, when criteria is met.
- 6% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision for New Business Discount.
- 5% Renter's (HO-4) Companion Policy Discount for non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- 5% Companion for Life Discount applicable to non-fleet private passenger auto bodily injury, property damage, comprehensive & collision.
- Base Rate Deviation for single & multi car policies: Applies to bodily injury, property damage, medical payments, comprehensive, & collision: Credit varies.
- Electronic Funds Transfer Deviation: \$1 service charge deleted.
- Installment Payment Plan: No charge for first installment payment.
- Eff. 7-11-03 PC061489 North Carolina Department of Insurance

Lumbermens Mutual Casualty Company

- Deferred Premium Payment Plan - monthly service charge of 3% is applied per billing. If paid through electronic funds transfer, a monthly service charge is applied per billing.
- 7% Kemper Network Deviation; Certain criteria apply.
- Eff 7-1-03

Main Street America Assurance Company

- Preferred Plus Driver Discount. Collision and Comp Coverages
- Preferred Driver Discount Comp and Coll Coverages.
- Insurance Score Discount BI, PD, Med Pay, Uninsured and Combines UM/UN.
- Installment Pay Plan – Multipolicies, Installment Pay Plan – EFT.
- Combines Personal Protection Program – both HO and Auto, BI, PD, Med, Coll, Comp.
- Eff 10-10-07 PC107137 North Carolina Department of Insurance

Maryland Casualty Company

- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for drivers with least 30 yrs. driving experience & no inexperience operator.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 5% non-fleet private passenger auto comprehensive & collision for vehicles with "0" SDIP.
- 5% non-fleet private passenger auto bodily injury, property damage for anti-lock braking system.
- 5% non-fleet private passenger auto comprehensive for active anti-theft disabling devices.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive, collision, uninsured
- underinsured motorist, towing & labor & all miscellaneous coverage (companion policy).
- Eff. 2-15-98

Massachusetts Bay Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates, if principal operators are age 55 or older and there are no other operators in household with less than 3 yrs. driving experience.
- Electronic Funds Transfer No service charge for Installment Payment Plan.
- Account Credit Program: 5% applies to non-fleet private passenger auto comprehensive & collision rates for insured who have both their private passenger auto & primary homeowners Insured with one of Hanover Insurance Companies.
- Group Modification Plan: Deviation 0.0% to 15.5%.
- Territorial Deviation: credit varies for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- Installment Payment Plan: \$3 per installment, excluding first installment.
- Anti-Theft Discount Deviation: 5%-10% when certain criteria is met.
- Budget wise discount of 5-15% for bodily injury, property damage, comp and coll coverages.
- Eff. 04-01-03

Members Insurance Company

- Extra Vehicles Deviation
- Account Credit Deviation
- Underwriting Tier Deviation
- Eff 3-29-07 PC102736 North Carolina Department of Insurance

Merastar Insurance Company

- Account Discount, Rule 4.1 (a) -5% on non-fleet private passenger automobile bodily injury and property damage liability, medical payments, comprehensive and collision rates if named insured is a member of an employer sponsored account or qualifying affinity group.
- Mature Operator Discount, Rule 4.1 (b) -5% on non-fleet private passenger automobile bodily injury, property damage, medical

payments, comprehensive and collision coverages if the named insured is age 55 or older and no operator has less than 9 years driving.

- Auto/Home Discount, Rule 4.1. (a) -5% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision rates if the named insured also insures the principal residence with either Merastar Insurance Company or its designated joint venture business partners.
- Safe and Sound Discount, Rule 4.1. (b) -6% on non-fleet private passenger automobile comprehensive and collision rates if the policy qualifies for the Company's Safe and Sound discount.
- Anti-Lock Braking Discount, Rule 4.1.(c)-2% on non-fleet private passenger auto collision if vehicle is equipped with a factory installed anti-lock braking system.
- Anti-Theft Discount, Rule 4.1. (c) -5% on non-fleet private passenger comprehensive rates for alarm-only or other anti-theft system; -15% on non-fleet private passenger comprehensive rates for a passive anti-theft system (Discounts are not cumulative. A maximum of 15% applies when both devices are installed).
- Waiver of Installment Charge, Rule 4.1. (a) is waived for all policies paid by payroll deduction; \$1.00 installment charge for policies paid by Automatic Bank Draft.
- Personal Financial Management Discount (Credit Score), Rule 4.1. (b) -20% on non-fleet private passenger automobile bodily injury, property damage, medical payments, comprehensive and collision coverages, if named insured credit score is greater than 887, with bodily injury limits of 100/300 or higher and owns home; -10% if named insured credit score is greater than 849, with bodily injury limits of 50/100 or higher and owns home.
- Eff. 4-15-07 PC099427 [North Carolina Department of Insurance](#)

Metropolitan Direct Property & Casualty Insurance Company

- Territorial Deviation for bodily injury, property damage, med pay, uninsured motorists, combined uninsured/underinsured motorists, comprehensive, & collision coverages: Credit varies 1%-5%.
- Experience Driver Deviation: Applies to auto liability & physical damage coverages: Certain criteria apply: Credit varies 2%-3%.
- Age 55 & Older Deviation for liability & physical damage coverages: Certain criteria apply: Credit varies 3%-11%.
- Preferred Customer Discount: Certain criteria apply: Credit varies 4%-10%.
- Superior Driver Discount: Certain criteria apply: Credit varies 5%-15%.
- 7% Multi Policy Discount: Applies to insureds who have both auto & homeowners insurance with Metropolitan.
- Mass Merchandising Account Deviation: 7% credit: Certain criteria apply.
- 5% Payroll Deduction Discount: Certain criteria apply.
- Employment Tenure Discount: 4% or 7% credit applies when criteria is met.
- Eff 1-10-05 PC 078576 [Filing Detail](#)

Metropolitan Property & Casualty Insurance Company

- Mass Merchandising Account Deviation: 1% credit.
- Payroll Deduction Discount 3%: Certain criteria apply.
- Employment Tenure Discount: 2% or 4% credit applies when criteria is met.
- Small Employer Group Program: 5% deviation applies when eligibility is met.
- Eff. 7-1-03

Motors Insurance Corporation

- Deviation applies under Mechanical Insurance Program & provides for eliminating surcharge on all eligible vehicles equipped with diesel engines.
- Eff. 10-1-85

Mutual Service Casualty Insurance Company

- 7.5% non-fleet private passenger auto bodily injury & property damage for multi-car policies, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation which is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in prearranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- 15% non-fleet private passenger auto bodily injury & property damage for single car risk, where all drivers on policy together have 12-20 SDIP pts. with one 12 pt. violation is not one of following: A. Manslaughter or negligent homicide; B. Failure to stop & render aid when involved in an accident resulting in bodily injury or death; C. Pre-arranged racing or knowingly lending a vehicle to be used in pre-arranged racing; D. Transporting illegal intoxicating liquors by motor vehicle.
- Eff. 6-7-95

NGM Insurance Company

- 12% Preferred Plus and 8% Preferred Driver Discounts: Discount on Collision and Comprehensive premiums. Certain criteria apply.
- Various discounts for named insured insurance score.
- Installment Payment Plan: \$3 Charge each installment for 1st policy. \$1 Charge each installment for each additional personal lines policy. No service charge if paid via EFT
- Combined Personal Protection Program: 10% non-fleet private passenger auto bodily injury, property damage & medical payments, collision & comprehensive when both homeowners & voluntary auto policy is written thru NGM.

- Eff. 9/1/04 PC071955 Filing Detail

National Specialty Insurance Company

- Deviation non-fleet private passenger auto bodily injury, property damage & medical payments: 15% - 0 SDIP pts.; 10% 1-4 SDIP pts. if certain criteria is met.
- Deviation non-fleet private passenger auto comprehensive & collision coverage: 10% - 0 SDIP pts. if certain criteria is met.
- Eff. 2-6-95 *Name changed from State National Specialty Insurance Company effective 3/16/04*

National Surety Corporation

- Various deviations on Comprehensive for vehicles equipped with Alarm only.
- Discount on Comprehensive for vehicles equipped with Active Disabling devices.
- Discount on Comprehensive for vehicles equipped with Passive Disabling devices.
- Anti-Lock Brake discount.
- Various deviations on BI, PD, Combines Single Limits, Medical Payments, Extended Trans Expense, Coll, Comp.
- Electronic funds transfer payment option.
- Account Credit.
- Installment Payments.
- Eff. 10-1-03 PC 064662 North Carolina Department of Insurance

Nationwide Affinity Insurance Company of America

- Territory Deviation
- Nationwide Affinity Deviation
- Liability Vehicle Grouping Deviation
- Model Year Deviation
- New Vehicle Deviation
- Driver Class Deviation
- Accident Free Deviation
- Financial Responsibility Deviation (Credit Score)
- Matrix Deviation (prior insurance, prior bodily injury limits, number of vehicles)
- Safe Driver Insurance Plan Deviation
- Miscellaneous Vehicle Deviation (Antique or Classic Autos, Motorcycles and any vehicle not subject to the SDIP)
- Eff. 7-13-07 PC103179 North Carolina Department of Insurance

Nationwide Insurance Company of America

- Motorcycle
- Matrix Deviation
- Eff. 8-10-07 PC104820 North Carolina Department of Insurance

Nationwide Mutual Fire Insurance Company

- Company Deviation Factor
- Inexperienced operator with Foreign Driver's License Deviation.
- Eff. 4-1-06 PC089469 North Carolina Department of Insurance

Nationwide Mutual Insurance Company

- Senior Adult Discount Deviation:
- Home and Car Deviation/Homeowner Deviation
- Miscellaneous Vehicle Deviation
- Preferred Driver Deviation.
- Combined deviation
- Affinity Deviation
- Intra-agency transfer Deviation
- Payment Plan Deviation
- Merit Credit deviation.
- Eff. 12-15-07 PC106038 North Carolina Department of Insurance

Nationwide Property and Casualty Insurance Company

- Financial Responsibility Deviation – Based on credit scoring. Credit varies.
- Territory Deviation – applies to BI and PD for private passenger autos. Credit varies by territory.
- Nationwide Affinity Deviation – deviation applies to BI, PD, Med Pay, Coll, Uninsured Motorist-BI, Underinsured Motorist-PD, Loss of Use, and Towing & Labor coverages when the named insure is a member of a Nationwide Affinity Group. It will apply to all Autos, Motorcycles, Antiques and any vehicles not subject to the Safe Driver Insurance Plan.
- Preferred Driver Deviation – according to certain criteria.
- Intra-Agency Transfer Deviation – deviation applies to BI, PD, and Coll for the first three terms insured in the Nationwide Property and Casualty Ins Company or Nationwide Mutual Ins Company and dev for the next three terms when certain conditions are met.

- Matrix Deviatlon – deviation based on a combination of prior BI limits, Major Homeowners status and number of vehicles insured with Nationwide. Applies to BI, PD, Med Pay, and Coll for priv pass.
- Non-Nationwide Homeowner Deviatlon – applies to BI, PD, Med Pay and Coll if the named insured is an owner of a home but is not the named insured in any of the Nationwide Companies for said home.
- Auto Financial Deviatlon – applies to BI, PD, Med Pay and Coll if a resident relative of the household is the owner of a Nationwide Financial Services' Life, Annuity, or Health policy written and/or serviced by a Nationwide Exclusive Agency.
- Miscellaneous Vehicle Deviatlon – deviation applies to BI, PD, Comp, Coll for Motorcycles, , Antiques, Classic Autos and any vehicles not subject to the Safe Driver Insurance Plan.
- Driver Class Deviatlon – based on a combination of years of driving experience, operator status of the driver, marital status, number of vehicles insured with Nationwide, and use of the vehicle. This deviation applies to BI, PD, Med Pay, and Coll for Priv Pass Autos. Credit varies.
- Home and Car Deviatlon – deviation to BI, PD, Med Pay and Coll for Priv Pass if the named insured is also the named insured in any of the Nationwide Companies insured for a HO-4, HO-6, or Mobile Homeowners Policy.
- Motorcycle Deviatlon – deviation applies to Collision for Motorcycles if the driver has 17 or more years of driving experience and operates certain motorcycle types.
- Household composition deviation.
- Payment Plan Deviatlon.
- Tier Deviatlon.
- Terms with prior carrier deviation.
- Effective 8-6-07 PC104137 North Carolina Department of Insurance

Netherlands Insurance Company

- 10% deviation applies to bodily injury, property damage & medical payments for risks in territory 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51.
- 15% deviation applies to bodily injury, property damage & medical payments for risks in territory 52.
- 15% deviation applies to comprehensive and collision for risks in territories 11,13,14, 16, 17,18, 24, 25, 31, 32, 33, 47.
- 20% deviation applies to comprehensive and collision for risks in territories 15, 51, 52.
- 4% discount bodily injury, property damage & medical payments comprehensive and collision coverages where all operators must have '0' merit rating points.
- 7% discount bodily injury, property damage & medical payments comprehensive and collision coverages for risks part of the Personal Protectors Program.
- 2% discount for bodily injury, property damage & medical payments comprehensive and collision coverages provided the principal operator of the vehicle is age 55 or older.
- Eff. 10-15-02

New South Insurance Company

Non-Preferred Program

- 5.3% non-fleet private passenger auto bodily injury & property damage liability rates for single car policies with 12 - 20 SDIP pts. with 12 pt. violation that is not (1) manslaughter or negligent homicide (2) prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing (3) failure to stop & render aid when involved in an accident resulting in bodily injury or death (4) transporting illegal intoxicating liquors by motor vehicle (5) Non-owners policies do not qualify.
- 1.2% average deviation for non-fleet private passenger auto comprehensive rates. Non-owners policies do not qualify.
- 18.1% average deviation for non-fleet private passenger auto collision rates. Non-owners policies do not qualify.
- Installment payment plan fees waived for GMAC insurance employees.
- 3% on all policies eligible for voluntary liability under the company's u/w guidelines, with at least one full coverage vehicle. (must have bi/pd and collision) this dev will not apply if the aggregate of all other liability deviations is equal to or greater than 3%.
- Eff. 7-1-05 PC084373 North Carolina Department of Insurance

Niagara Fire Insurance Company

- 10% non-fleet private passenger auto Personal Comprehensive Protection Program auto physical damage.
- Eff. 11-7-86

North Carolina Farm Bureau Mutual Insurance Company

- Reward Driver Program: Policies with a Reward driver: deviation varies from 7% to 33% - certain criteria apply.
- Reward Driver Program: Policies with a Preferred driver and no Reward driver – deviation varies from 6% to 25% according to certain criteria
- Reward Driver Program: Policies with a Premier driver and no Reward and no Preferred driver – deviation varies from 0% to 23%, certain criteria apply.
- Reward Driver Program: Policies with a Freedom driver and no Reward and no Preferred and no Premier driver – deviation varies from 0% to 16%.
- Reward Driver Program: Policies with no Freedom driver and Reward and no Preferred and no Premier driver – deviation varies from 0% to 15%.
- Full Pay Deviatlon - 3% deviation applies to BI, PD, Med Pay, Comp, and Coll if the policy is written new or renewed with payment mode equal to full pay.
- Protection Plus deviation – Physical Damage Deviatlon for high liability limits – 3% applies to Comp and Coll coverages for policies

that have Bodily Injury policy limits of 100,000/300,000 or higher.

- Territory Deviations: A territory deviation will apply to BI, PD, Med Pay, Comp and Coll – credit varies in territory 13, 14, 41, 43, 51, 52.
- Twelve-point violation (This deviation stands alone. When 12-point deviation applies, policy is not eligible for other deviations. A deviation of 55% applies to the surcharge on voluntary policies for a 12-point violation that is not one of the following:
 - a) manslaughter or negligent homicide resulting from the operation of a motor vehicle.
 - b) prearranged highway racing or knowingly lending a motor vehicle to be used in prearranged highway racing.
 - c) failure to stop and render aid when involved in an accident resulting in BI or death (hit and run driving), or
 - d) transportation for the sale of illegal intoxicating liquors by motor vehicle.
- Eff 2/1/06 PC089182 North Carolina Department of Insurance

Northern Insurance Company of New York

- 10% non-fleet private auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier I).
- 6% deviation non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all other miscellaneous coverage (Tier II).
- 3% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & all miscellaneous coverage (Tier III).
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for operators who have at least 30 yrs. driving experience with no inexperience operators.
- 5% non-fleet private passenger bodily injury & property damage with anti-lock braking system.
- Various deviations for comprehensive with vehicles equipped with anti-theft devices.
- 5% non-fleet private passenger bodily injury, property damage, medical payments, uninsured & underinsured motorist, comprehensive, collision, towing & all miscellaneous coverage for auto & home discount.
- 10% non-fleet private passenger bodily injury, property damage, comprehensive & collision with named insured employed as an educator.
- 12% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision where name insured is an employee of Centry Furniture Industries Inc.
- 6% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of Premier, Inc. & its Hospitals & Health Systems & Premier Insurance Management Services, Inc.
- 9% deviation on bodily injury, property damage, comprehensive & collision if named insured is an employee of American Veterinarians Medical Association Professional Liability Insurance Trust.
- Eff. 7-19-01

Ohio Casualty Insurance Company

- 4% credit to all coverages with an operator age 55 or older who purchase Homeowners coverage in Ohio Casualty Group.
- Employee Discount: 15% when criteria is met.
- Anti-Theft Discount: Comprehensive Coverage only: 5% alarm only & active disabling devices: 15% passive disabling devices: Other criteria apply.
- Eff. 9-1-00

Omni Insurance Company

- For deviations see the North Carolina Department of Insurance website.
- Eff 5-28-01 PC041974 Filing Detail

OneBeacon America Insurance Company

- Base rate deviation by territory: Non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium. Variable credits.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- Anti-Theft Device Credits: Non-fleet private auto comprehensive who vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01

OneBeacon Midwest Insurance Company

- 5% Multi-Policy Credit for non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for principal driver age 55 & over.
- Anti-Theft Device Credit: Credit varies 5% - 10% for comprehensive coverage.
- Cancellation: Deviation on short rate cancellation resulting in pro-rata cancellation.
- Eff. 11-20-01

Owners Insurance Company

- Mature Driver Discount for BI, PD, Med Pay, Comp and Coll Varied credit.
- Multi Policy (Auto/Home; Auto/Life; Auto/Umbrella) Discount for BI, PD, Med Pay, Comp and Coll.

- Owners Deviation for bi, pd, med pay, comp and coll.
- Insurance Scoring Discount on all coverages.
- Paid In Full Deviation.
- Eff 5/19/06 PC088328

Pacific Employers Insurance Company

- 17% non-fleet private passenger auto bodily injury, property damage, medical payments, uninsured motorists, combined uninsured & underinsured, comprehensive & collision.
- Eff. 3-18-97

Pacific Indemnity Company

- Antique Auto: Various deviations on liability & physical damage coverages.
- Increased Limits Deviations.
- Eff. 7-1-03 PC062945 North Carolina Department of Insurance

Peak Insurance Company

- 67% deviation on bodily injury and property damage coverages to single car with 12 SDIP points
- 52% deviation on bodily injury and property damage coverages to single car with 13-14 SDIP points
- 50 % deviation on bodily injury and property damage coverages to single car with 15 SDIP points
- 30% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- 52% deviation on bodily injury and property damage coverages to multi car with 12 SDIP points
- 51% deviation on bodily injury and property damage coverages to multi car with 13-14 SDIP points
- 49% deviation on bodily injury and property damage coverages to multi car with 15 SDIP points
- 33% deviation on bodily injury and property damage coverage to multi car with 16-20 SDIP points
- Eff 4-17-07 PC103425 North Carolina Department of Insurance

Peerless Insurance Company

- 12% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with forms HO-3, HO-5, or any HE-7 that are part of the Personal Protector Program
- 6.1% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, and 77 in the Supreme Tier for CPAtract scores greater than 824.
- 12.2% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territory 52 in the Supreme Tier for CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 16, 17, 18, 25, 31, 33, 47, 51, 77 in the Supreme Tier for CPAtract scores greater than 824.
- 10.2% discount on Comprehensive and Collision coverages on risks in territories 52 in the Supreme Tier for CPAtract scores greater than 824.
- 7.6% discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages on risks with a CPAtract score greater than 824 in the Supreme Tier.
- 3.9% discount on Bodily Injury, Property Damage and Medical Payments, coverages on risks with a CPAtract score greater than 824 in the Standard Tier.
- 1.1% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 4.9% discount on Comprehensive and Collision coverages on risks in the Standard Tier with CPAtract scores greater than 824.
- 10.1 discount on Bodily Injury, Property Damage, and Medical Payments in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 8.0% discount on Comprehensive and Collision coverages on risks in territory 15 in the Supreme Tier with CPAtract scores greater than 824.
- 4.1% discount on Bodily Injury, Property Damage, and Medical Payments in territory 24 in the Supreme Tier with CPAtract scores greater than 824.
- 2.9% discount on Comprehensive and Collision coverages on risks in the Supreme Tier with CPAtract scores greater than 824.
- 8.3% discount on Bodily Injury, Property Damage, and Medical Payments in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 7.3% discount on Comprehensive and Collision coverages in territory 32 in the Supreme Tier with CPAtract scores greater than 824.
- 3.0% discount on Comprehensive and Collision coverages for risks in the Standard Tier with CPAtract scores between and including 725 and 824.
- 4.3% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 3.2% discount on Comprehensive and Collision coverages on risk in territories 15 and 52 in the Supreme Tier with CPAtract scores between and including 650 and 824.
- 6.0% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 5.9% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 725 and 824.
- 1.0% discount on Comprehensive and Collision coverages on risks in territories 40, 41, 43, and 76 in the Supreme Tier with

CPAtract scores between and including 725 and 824.

- 3.5% discount on Bodily Injury, Property Damage, and Medical Payments coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier CPAtract scores between and including 650 and 724.
- 2.5% discount on Comprehensive and Collision coverages on risks in territories 11, 13, 14, 15, 16, 17, 18, 24, 25, 31, 32, 33, 47, 51, 52, and 77 in the Supreme Tier with CPAtract scores between and including 650 and 724.
- 7.0 % discount on Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages for risks written with form HO-6 that are part of the Personal Protector Program.
- Installment Payment Plan: Policies billed by the agent through account payroll deduction program are not subject to installment fees. \$2 charge for each installment for Electronic Fund Transfer.
- Effective 4-1-05 PC079505 North Carolina Department of Insurance

Pennsylvania General Insurance Company

- 20% non-fleet private passenger auto comprehensive & collision rates.
- 5% Account Credit is applicable to all voluntary personal auto policies where named insured has his/her homeowners (except Forms HO-1 & HO-4) insurance in any of General Accident Companies. Credit applies to total premium for each coverage.
- 5% Anti-Lock Brake Discount: Non-fleet private passenger auto bodily injury, property damage, single limit liability, medical payments & collision if vehicle is equipped with factory installed anti-lock brakes.
- 15% non-fleet private passenger auto bodily injury, property damage & medical payments.
- Eff. 3-15-96

Pennsylvania National Mutual Casualty Insurance Company

- Account Credit without Homeowners.
- Mature Driver Discount
- Personal Auto Preferred Program Discount
- Personal Auto Preferred Advantage Program Discount.
- Insurance Bureau Score discount.
- Eff 11-15-06 PC095921 North Carolina Department of Insurance

Pharmacists Mutual Insurance Company

- Safe Driver Discount Plan: Credit varies 10%-20% when criteria is met.
- Personal Auto and Homeowners/Mobile Homeowners Combination Premium Credit
- Installment Payments: \$1 charge for installment payments.
- Eff 7-1-03 PC061809 Filing Detail

Philadelphia Indemnity Insurance Company

- Liability coverage Only
- Physical Damage Coverage only
- Eff 1-1-06 PC087035 Filing Detail

Phoenix Insurance Company

- Company Coverage-Deviation by Coverage (coverages purchased)
- Account Discount (Multi-Policy)
- Contributing Vehicle Credit (number of vehicles)
- Contributing Vehicle Credit (number of vehicles)
- Renewal Credit varying by territory and coverage
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Deviation for Multi-Line Insurance and Financial Services Institution (Affinity Group)
- Hybrid Vehicle Discount (type of fuel used)
- Installment Payment charge waived (Rule 22) for Multi-Line Insurance and Financial Services Institution
- Effective 1/3/07 PC096415 North Carolina Department of Insurance

Platt River Insurance Company

- 17.5 % Credit Physical Damage and 5% Credit Liability base premiums: Certain Preferred Driver criteria must be met.
- 5% Credit Physical Damage base premiums: Certain Standard Driver criteria must be met.
- Account Credit Program: 10% Credit: Must have Homeowners and Auto policy with UIC.
- 5% Credit for BI, PD and Med Pay for factory installed Anti-Lock Brake System.
- 5% Credit for BI, PD, Med Pay, Collisions, and Comprehensive premiums: Mature Driver Discount: Certain criteria apply.
- Eff. 10-1-99

Progressive American Insurance Company

For deviations see North Carolina Department of Insurance Website
Effective 4-1-05 PC080249 Filing Detail

Progressive Northern Insurance Company

For Deviations see North Carolina Department of Insurance Website.

Eff 1-1-05 PC077563 Filing Detail

Progressive Premier Insurance Company of Illinois

For deviations see North Carolina Department of Insurance Website

Eff. 4-1-05 PC080250 Filing Detail

Progressive Preferred Insurance Company

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

- 14%-35% for single car policies, non standard underwriting with 5-6 or more SDIP pts.
- 28% for multi car policies, non standard underwriting with 6 or more SDIP pts.
- 15%-36% for single car policies, middle underwriting with 3-6 or more SDIP pts.
- 11%-29% for multi car policies, middle underwriting with 4-6 or more SDIP pts.
- 14%-50% for single car policies, standard underwriting with 0-6 or more SDIP pts.
- 16%-35% for multi car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-53% for single car policies, preferred underwriting with 0-6 or more SDIP pts.
- 25%-39% for multi car policies, preferred underwriting with 0-6 or more SDIP pts.
- 51%-53% for single car policies, ultra-preferred underwriting with 0-6 or more SDIP pts.
- 39%-42% for multi car policies, ultra preferred underwriting with 0-6 or more SDIP pts.
- 5% for policies in non-standard, middle & standard underwriting to policies with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employer when risks meet underwriting guidelines.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- Deviation for single car, non standard underwriting, 12-21 SDIP pts. Credit varies 58%-74%.
 - Deviation for multi car, non standard underwriting, 12-21 SDIP pts. Credit varies 44%-63%.
 - Deviation for single car, middle underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
 - Deviation for multi car, middle underwriting, 12-21 SDIP pts. Credit varies 48%-66%.
 - Deviation for single car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 60%-75%.
 - Deviation for multi car, standard, preferred and ultra preferred underwriting, 12-21 SDIP pts. Credit varies 48%-66%.

LIABILITY All deviation applicable to non-fleet private passenger auto bodily injury, property damage & medical payments coverage for all listed components. If the resulting rate is equal to or greater than N.C. Rate Bureau rates, the policy is ineligible for any deviation.

- 1.14 factor applies single car, non standard underwriting for policies without proof of prior auto insurance.
- 1.09 factor applies multi car, non standard underwriting for policies without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.05-3.20 factors vary based on average driver group 1-17.
- 1.10-1.45 factors vary for single car policies with 1-3 or more accidents.
- 1.06-1.30 factors vary for multi car policies with 1-3 or more accidents.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

- 26% for single car policies, non standard underwriting with 6 or more SDIP pts.
- 23% for multi car policies, non standard underwriting with collision coverage on more than one vehicle with 6 or more SDIP pts.
- 27%-28% for single car policies, middle underwriting with 5-6 or more SDIP pts.
- 37% for multi car policies, non standard underwriting with collision coverage on one vehicle with 6 or more SDIP pts.
- 18%-24% for multi car policies, middle underwriting, collision coverage on more than one vehicle 5-6 or more SDIP pts.
- 33%-47% for single car policies, standard underwriting with 2-6 or more SDIP pts.
- 31%-38% for multi car policies, middle underwriting, collision coverage on one vehicle with 5-6 or more SDIP pts.
- 22%-40% for multi car policies, standard underwriting, collision coverage on more than one vehicle, 2-6 or more SDIP pts.
- 24%-47% for multi car policies, standard underwriting, collision coverage on one vehicle with 2-5 or more SDIP pts.
- 26%-47% for single car policies, preferred underwriting with 0-5 or more SDIP pts.
- 23%-40% for multi car policies, preferred underwriting, collision coverage on more than one vehicle, 0-6 or more SDIP pts.
- 23%-47% for multi car policies, preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 48% single car policies, ultra preferred underwriting.
- 40% multi car policies, ultra preferred underwriting, collision coverage on more than one vehicle.
- 40%-47% multi car policies, ultra preferred underwriting, collision coverage on one vehicle with 0-5 or more SDIP pts.
- 5% for policies, non standard, middle and standard underwriting with proof of homeownership.
- 5%-10% for risks who are members of qualified participating groups, associations or employees of qualified participating employers when risks meet underwriting guidelines.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components, unless otherwise stated below.

12 point violation must not be one of the following:

- a. Manslaughter or negligent homicide.
 - b. Prearranged racing or knowingly lending a motor vehicle to be used in prearranged racing.
 - c. Failure to stop & render aid when involved in an accident resulting in bodily injury or death.
 - d. Transporting illegal intoxicating liquors by motor vehicle.
- 54%-69% single car policies, non standard underwriting with 12-18 or more SDIP pts.
 - 45%-64% for multi car policies, non standard underwriting, with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
 - 51%-67% for multi car policies, non standard underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.
 - 57%-71% for single car policies, middle underwriting with 12-18 or more SDIP pts.
 - 47%-66% for multi car policies, middle underwriting with collision coverage on more than one vehicle with 12-18 or more SDIP pts.
 - 54%-69% for multi car policies, middle underwriting with collision coverage on one vehicle with 12-18 or more SDIP pts.
 - 57%-71% for single car policies, standard, preferred and ultra preferred underwriting with 12-18 or more SDIP pts.
 - 47%-66% for multi car policies, standard, preferred and ultra preferred underwriting, collision coverage on more than one vehicle with 12-21 SDIP pts.
 - 54%-69% for multi car policies, standard, preferred and ultra-preferred underwriting, collision coverage on one vehicle with 12-18 or more SDIP pts.

PHYSICAL DAMAGE All deviation applicable to non-fleet private passenger auto physical damage coverage for all listed deviation components. If the resulting rate is equal to or greater than the N.C. Rate Bureau, the policy is ineligible for any deviation.

- 1.19 factor applies, single car policies, non standard underwriting for policies without proof prior of auto insurance.
- 1.15 factor applies, multi car policies, non standard underwriting without proof of prior auto insurance.
- 1.05-1.20 factors vary based on territories.
- 1.10-2.75 factors vary based on average driver group 1-16.
- 1.08-1.35 single car policies with 1-3 or more accidents.
- 1.05-1.24 multi car policies with 1-3 or more accidents.
- Installment Payment Plan: \$3 charge waived for policies purchased by employees from an approved employer group if premium is paid via payroll deduction.
- Eff. 7-1-99

Progressive Southeastern Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 1-1-05 PC077564 Filing Detail

Progressive Universal Insurance Company

- For deviations see North Carolina Department of Insurance Website
- Eff 10-1-07 PC107281 North Carolina Department of Insurance

Providence Washington Insurance Company

Standard Program

- Multi-Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.

Preferred Program

- Territory Deviation: Various credits apply to bodily injury, property damage, medical payments, comprehensive & collision.
- Multi Policy Credit: 10% applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Mature Driver Credit: Applies to bodily injury, property damage, medical payments, comprehensive & collision.
- Multiple Automobile Credit: 5% applies to bodily injury, property damage, medical payments, comprehensive & collision: Certain criteria apply.
- Eff.7-1-02

Republic Franklin Insurance Company

- Personal Auto Account Credit: 10% credit applies to basic premium when auto & homeowner policy is insured by Utica Mutual Insurance Company or Graphic Arts Mutual Insurance Company.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Work place Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- 10% Mature Driver Credit: Certain criteria apply.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- 9% Territory 11 Deviation: Vehicles must be principally garaged in territory 11.
- Eff. 12-1-00 PC 036564 Filing Detail

Response Worldwide Insurance Company

- 7.0% non-fleet private passenger auto bodily injury, property damage & medical payments coverage when certain criteria is met.
- 10.0% non-fleet private passenger auto comprehensive & collision coverage if certain criteria is met.

- Eff. 7-15-96 PC 034398 Filing Detail

Safeco Insurance Company of America

- Territory Deviation, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Driving Group Deviations (years driving experience, marital status, good student, distant student), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Renewal, Market, and Tier Deviations (financial responsibility, coverages, limits, and continuity of coverage), various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- SDIP, Single/Multi Car, 12-Point Violation Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Account Discount Deviations, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Vehicle Usage and Market Tier Deviations, various rates, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision.
- Limited Experience Operator Program Subscription.
- Eff 10-4-07 PC106018 North Carolina Department of Insurance

Safeguard Insurance Company

- Installment payment plan – agency payroll deductible.
- Effective 5-15-04 PC069383 North Carolina Department of Insurance

St. Paul Fire and Marine Insurance Company

- Installment charge deviation: \$2 charge each installment.
- Eff. 1-1-95

St. Paul Guardian Insurance Company

- 5% base rate comprehensive coverage when policy qualifies for PAK II Program.
- 5% base rate collision coverage when policy qualifies for PAK II Program.
- 10% Mature Operator Credit: Combined single limit bodily injury & property damage, medical payments, comprehensive & collision, when principal operator is age 55 & less than or equal to 64 yrs. of age & no inexperienced operators in household. 5% credit for ages 65-74 & no inexperienced operator in household.
- 10% Good Driver Deviation, when certain criteria is met.
- Symbol Reactivities model year 1976-1982, Symbol 14, comprehensive - 7.8% credit; collision - 12.7% credit. Model yrs. 1975 & prior; Values above \$10,000 rated Symbol 7 for comprehensive & collision.
- Increase Limits Extended Transportation Expense Coverage is provided at no charge, when comprehensive coverage is purchased & policy qualifies for PAK II Program.
- Passive Restraint Deviation: 20% when restraint is installed in driver-side only position; 30% when restraint is installed in both front outboard seat positions. If policy qualifies for PAK II Program, airbag discount applies to factory installed automatic occupant restraint. Deviation applies only to medical payments base premium.
- Anti-Theft Device Deviation for PAK II Program: 5% alarm only, 5% active disabling device; 15% passive disabling device. This deviation applies to comprehensive base premium.
- Anti-Lock Braking System Deviation: 5% combined single limit liability, bodily injury & property damage liability base premium when private passenger auto equipped with factory installed four-wheel anti-lock braking system.
- Golfmobile Liability Coverage provided at no additional charge.
- Miscellaneous Types: ATV, minibike & dune buggy, combined bodily injury & property damage liability rates not used for commercial purposes will be same rate as North Carolina Reinsurance Facility. Snowmobile rates, medical payments coverage rate will be 22% of Territory 18 private passenger auto medical payments rate. Collision rates will be same as NC Rate Bureau's snowmobile rates.
- 10% when more than one recreational vehicle is covered under same policy for following miscellaneous types, trailers designed for use with private passenger autos, motorbikes or other similar motor vehicles not used for commercial purposes (excluding motorcycles, motorscooters & mopeds); snowmobiles & golfmobiles.
- Renewal Credit: 0-2 yrs.-0%; 3yrs.-3%; 4yrs.-4%; 5 or more yrs. -5% premium credit when insured maintained consecutive yrs. of coverage with St. Paul. Credit will apply to final premium for each coverage & rounded to nearest dollar.
- Installment charge deviation: \$2 charge each installment unless Electronic Funds Transfer billing option is selected, then no charge.
- Employee Discount: New Business - 20%; Renewals - 15% when criteria is met.
- Eff. 3-1-00

St. Paul Mercury Insurance Company

- 15% non-fleet private passenger auto liability & physical damage insurance rates.
- Eff. 1-1-88

Seaton Insurance Company

- 15% non-fleet private passenger auto liability, medical payments & physical damage. "Unimate Plus" In addition to above: (1) Policy in force 3 yrs. & no at-fault accident additional 5% credit liability, medical payments & physical damage; (2) Policy in force 6 yrs. &

- no at-fault accident; Second 5% credit on coverages listed above.
- 5% non-fleet private passenger auto non-fleet physical damage rates. Discount applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only (no miscellaneous types).
- Eff. 6-20-88

Security Insurance Company of Hartford

- Territorial Deviation for BI, PD, med pay, uninsured motorists/underinsured motorists, comprehensive & collision: Credits vary.
- Classification Rating Factors Deviation for liability, comprehensive & collision.
- 5%, 10% or 15% Anti-Theft Device Discount: Certain criteria apply.
- 5% Good Drivers Discount.
- 5% Affinity Group Discount.
- Preferred Policy Program Deviation.
- Eff. 9-1-00

Selective Insurance Company of South Carolina

- Installment Payment Plan: \$2 per each installment.
- 30% deviation applies to liability & physical damage when a commercial package policy is written with the risk.
- Eff. 6-1-01

Selective Insurance Company of the Southeast

- Installment Payment Plan: \$2 per each installment.
- Eff. 9-1-98

Shelby Insurance Company

- 7.5% non-fleet private passenger auto liability & physical damage rates when insured has their Homeowners policy in the Anthem Casualty Insurance Group.
- Anti-Theft Discount: Discount applies to other than collision coverage only. 5% alarm & active disabling devices; 15% on vehicles equipped with passive disabling devices.
- Longevity Discount: 5% credit applies when policies have been in force past 5 yrs. Credit applies to Plus & Premier policies only.
- Mature Operator Discount: 5% discount for drivers age 55 to 69 yrs. old with no drivers with less than 5 yrs. driving experience. Credit applies to Plus & Premier policies.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all Shelby Plus policies.
- Eff. 1-27-03 PC056565 North Carolina Department of Insurance

Southern General Insurance Company

- See exception pages on file with the North Carolina Department of Insurance.
- Eff 7-2-07 PC101618 North Carolina Department of Insurance

Southern Guaranty Insurance Company

- Exceptional Driver Program: 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision when underwriting guidelines are met.
- Exception Plus: Additional 5% credit for private passenger non-fleet auto bodily injury, property damage, medical payments, comprehensive & collision when policy has been in-force at least 3 yrs. & no at-fault accidents in preceding 3 yrs. A second 5% credit for policies in-force at least 6 yrs. & no at-fault accidents in preceding 6 yrs. Maximum Exceptional Driver credit is 25%.
- Mature Driver Discount: 10% non fleet private passenger auto bodily injury, property damage, medical payments, comprehensive, collision & medical payments when underwriting guidelines are met.
- Multi Policy Discount: 5% non-fleet private passenger auto comprehensive & collision base rate if Southern Guaranty Insurance Company insures both homeowner & auto policy.
- 10% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for all private passenger auto policies for University of North Carolina Employees.
- Eff. 7-1-00

Southern Insurance Company of Virginia

ADVANTAGE XL PROGRAM

- Multi-Car discount
- Recreational Trailer Rate Discount
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti-Lock Braking System Discount.
- Anti-Theft Devices Discount
- Account Credit
- Automatic Payment Plan

- First Accident Forgiveness
- PACE Endorsement
- XL Factors.

MERIT XL PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

SUPERIOR XL PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan 5%
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

PREFERRED XL PROGRAM

- Deviation by coverage and territory comp and coll, credit varies.
- Experienced Operator Discount
- Multi-Car Discount: Certain Criteria apply.
- Recreational trailer rates
- Loss Free Renewal Discount
- New Business Automobile Discount
- Passive Restraint Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan
- First Accident Forgiveness.
- PACE Endorsement
- XL Factors

AUTOGUARD XL, AUTOGUARD II XL PROGRAMS

- Multi-Car Discount
- Recreational trailer rates
- Passive Restraint - Airbag Discount
- Anti Lock Braking System Discount
- Anti Theft Devices Discount
- Account credit plan
- Automatic Payment Plan
- Eff. 10-1-07 PC106468 North Carolina Department of Insurance

Southern Pilot Insurance Company

- Exceptional Driver Discount: 10% applies to non-fleet private passenger bodily injury, property damage, medical payments, comprehensive & collision premiums on a vehicle insured in the voluntary market and principally driven by an operator with at least nine years of operating experience who has had no chargeable accidents within the past three years resulting in bodily injury or death or more than \$1000 in property damage.
- University of North Carolina Chapel Hill Employees Discount: For all private passenger automobile policies issued or renewed in

the voluntary market on or after September 1, 1998 covering vehicles owned by employees of the University of North Carolina – Chapel Hill. A 10% credit will be applied to Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision premiums.

- **Mature Driver Discount:** Principal Operators who have 34 years or more of driving experience that are written in the voluntary market and have no operators in their household with less than nine years driving experience shall receive a 5% discount on Bodily Injury, Property Damage, Comprehensive, Collision & Medical expense premiums for the vehicle they principally operate.
- **Accident Free Discount:** 5% credit shall be applied to BI, PD, Med Pay, Comp and Coll premiums on a vehicle insured in the voluntary market and driven by an operator who has had no chargeable accidents within the past three years and has been continuously insured with Southern Pilot for at least three years. An additional 5% applies for a six yr. period. New Business applicants and Southern Pilot renewal customers insured in the voluntary market who can document continuous coverage with a prior carrier and no chargeable accident for a three or six year period as described above are also eligible for the Southern Pilot Accident Free Discount. Maximum Accident Free Discount is 10%. Accident Free will be removed at the next renewal following the first chargeable accident where \$1000 or more was paid for BI, PD, Med and Coll (combined) for any operator in the household.
- **Multi Policy Discount:** 5% credit shall be applied to bodily injury, property damage, medical payments, comprehensive, & collision premiums developed from the North Carolina Rate Bureau Personal Auto Manual on a vehicle insured in the voluntary market when Southern Pilot Insurance Company insures an individual's home and automobile.
- Eff. 5-1-03

SPARTA Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision driven by insured who reached age 55.
- **Anti-Theft Device Credits:** Non-fleet private passenger auto comprehensive when vehicle is equipped with anti-theft device. 5% alarm only, active disabling device. 10% passive disabling device.
- Cancellation will be done on a pro-rata basis.
- Eff. 11-20-01 PC045268 Filing Detail

Standard Fire Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount multi policy - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit (number of vehicles)- credit varies.
- Hybrid Vehicle Discount (type of fuel used) 10% discount.
- Eff 7-4-07 PC103958 North Carolina Department of Insurance

State Auto Property & Casualty Insurance Company

- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for operators 0-38 yrs. driving experience or 55 yrs. of age or older.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience & a homeowners policy with State Auto Companies, or 0-38 yrs. driving experience or 55 yrs. of age or older for insured without a homeowners policy with State Auto Companies.
- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 70 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55 yrs. of age or older or 0-38 yrs. driving experience for insured without a homeowners policy.
- 20% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies, or 55-69 yrs. of age for insured without a homeowners policy.
- 25% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 0-33 yrs. driving experience, 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- 30% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no inexperienced operators, for an insured with 34-38 yrs. driving experience or is 55 yrs. of age or older and has a homeowner policy with State Auto Companies.
- **Anti-lock Braking System Discount:** 5% deviation on non-fleet private passenger auto BI & property damage or combined single limit liability on private passenger autos equipped with factory installed four wheel anti-lock braking systems.
- **Installment Plan with Electronic Funds Transfer:** \$1 monthly service charge per policy.
- Customizing Equipment deviation.
- Eff. 10-26-06 PC097712 North Carolina Department of Insurance

State Automobile Mutual Insurance Company

- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages, no SDIP pts., no inexperienced operators & insured has Homeowners policy with State Auto Companies.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided no SDIP pts., no inexperienced operators & all operators in household are age 55 or older.

- 15% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision coverages provided there are no SDIP pts., no inexperienced operators, all operators in household are age 55 or older and insured has a Homeowners policy with State Auto Companies.
- Installment Pay Plan charge is reduced to \$1 per installment on all new and renewal business.
- 5% non-fleet private passenger auto bodily injury & property damage liability (or combined single liability) coverage for private passenger auto equipped with factory installed four wheel anti-locking braking systems.
- Eff. 2-1-93

State Farm Mutual Automobile Insurance Company

- Deviation for non-fleet private passenger automobile rates: Credit varies based on territory.
- Deviation applicable to private passenger automobile rates applicable to vehicles continuously in force with the State Farm Mutual Automobile Ins Co and free of at-fault accidents for 3 or more years- credit varies- not applicable to motorcycle.
- Multi Policy Discount: credit for non-fleet private passenger automobile rates when criteria is met.
- Installment Payment Charge: \$2 monthly installment of premium. Charge waived if payment made by electronic funds transfer.
- Deviation on non-fleet private passenger automobile rates applicable to new business policies (not motorcycles) when all drivers have been licensed in the U.S. or Canada for 3 yrs. & all driving records combined have no violations & no at-fault accidents during past 5 yrs.
- Additional Deviation applicable to Classic vehicles for B/MPD, Med Pay, and Collision.
- Customer Rating Index (CRI) Deviation
- SDIP Deviation
- Customization Deviation
- Eff 1-1-08 PC109891 North Carolina Department of Insurance

Teachers Insurance Company

- Driving Quality Deviation Bodily Injury, Property Damage and Collision Only. Must meet certain criteria Credit varies.
- Multiline (Multi Policy) Deviation, Bodily Injury, Property Damage and Collision when certain criteria is met.
- Member only (Affinity) Bodily Injury, Property Damage, Comprehensive, and Collision.
- Surcharge Forgiveness (SDIP) free of chargeable accidents during 5 consecutive years will not apply the appropriate surcharge.
- Electronic Funds Transfer (Payment Options) no fee charged.
- Installment Payments - No charge on first installment.
- School Payroll Payment Plan Deviation, 5% to Bodily Injury, Property Damage, Medical Payments, and Collision.
- Eff 8-21-07 PC105066 North Carolina Department of Insurance

Titan Indemnity Company

- Territory Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Liability Vehicle Grouping Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Model Year Deviation, Bodily Injury, Property Damage, and Medical Payments
- New Vehicle Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Driver Class Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Accident Free Deviation, Bodily Injury, Property Damage, and Medical Payments
- Financial Responsibility Deviation (Credit Score) Bodily Injury, Property Damage, and Medical Payments.
- Matrix Deviation (various characteristics) Bodily Injury, Property Damage, and Medical Payments.
- Safe Driver Insurance Plan Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Intra Agency Transfer Deviation (Independent Agency refers to Titan) Bodily Injury, Property Damage, and Medical Payments
- Affinity Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Policy Premium Amount Paid In Full Deviation, Bodily Injury, Property Damage, and Medical Payments.
- Military Deviation.
- Eff 7-1-07 PC104089 North Carolina Department of Insurance

Travelers Casualty & Surety Company

- Anti-Lock Brake Deviation: 5% non-fleet private passenger auto single limit (liability & medical payments) or bodily injury, property damage & medical payments.
- Anti-Theft Device Deviation: 5% or 10% discount depending on how vehicle is equipped. Applicable to non-fleet private passenger auto comprehensive base premiums.
- 7% Loss & Conviction Free Renewal Deviation: Multi-car policies: Applies to non-fleet private passenger auto bodily injury, property damage, medical payments & collision coverage. Credit applies to voluntary policies.
- Mature Driver Deviation: 3% to non-fleet private passenger auto bodily injury, property damage & medical payments; 5% collision, 10% comprehensive coverage.
- Passive Restraint Discount: 1% non-fleet private passenger auto bodily injury, property damage & medical payments. Credit applies to voluntary policies.
- 7% Loss & Conviction Free Renewal Deviation; Multi-car policies: Applies to collision coverage only when policy is ceded to the Facility.
- Mature Driver Deviation: 5% non-fleet private passenger auto collision coverage & 10% comprehensive coverage.
- Eff. 12-17-93

Travelers Casualty & Surety Company of America

- 15% non-fleet private passenger auto bodily injury, property damage & medical payments rates.
- 15% non-fleet private passenger auto comprehensive & collision rates.
- Eff. 10-15-92

Travelers Casualty Insurance Company of America

- 30% non-fleet private passenger auto liability & medical payments rates.
- 30% non-fleet private passenger auto physical damage rates.
- Eff. 10-15-92
- Name Changed from Travelers Casualty & Surety Company of Illinois effective 1/1/04

Travelers Indemnity Company

- Installment Payment Plan, waiver of charge on certain entities using payroll deduction.
- Contributing Vehicle Credit.
- Eff. 12-18-07 PC109448 North Carolina Department of Insurance

Travelers Indemnity Company of America

- Installment Payments - Installment charge for each installment is deleted.
- Account Discount – varying by territory and coverage will be applied to all insureds that have both a vol private pass auto policy and a dwelling homeowners policy with the Travelers.
- Contributing Vehicle Credit: non-fleet private passenger auto bodily injury, property damage, medical payments & collision for insured who have single car policy & have more than one private passenger auto with The Travelers.
- Renewal Credit: varying by territory and coverage applied to non-fleet private passenger rates if insured has maintained auto policy with The Travelers for the last 6 or more consecutive yrs.
- Rate deviation applied to private passenger auto rates for employees of Multi-Line Insurance & Financial Services Institution. Installment charge deleted.
- Rate deviation applied to private passenger auto rates for entities for which there is no specifically defined deviation. Installment charge deleted
- Rate Deviation for North Carolina State University - deviation will be applied to voluntary private passenger rates for employees of North Carolina State University as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Rate deviation applied to private passenger auto rates for Members/Customers of a Credit Union family. Installment charge deleted.
- Rate Deviation - non-fleet private passenger insurance rates for all coverages for Employees of Research and Development Institutions. Installment charge deleted.
- Rate deviation applies to private passenger auto rates for members of AAA Groups. Installment charge deleted.
- Rate deviation applies to private passenger auto rates for employees of Phillip Morris Companies, Inc. as part of an employer payroll deduction premium payment plan. Installment charge deleted.
- Hybrid Vehicle Deviation discount.
- Eff 7-4-07 PC103961 North Carolina Department of Insurance

The Travelers Indemnity Company of Connecticut

- Company Coverage Factors deviation, Bodily Injury, Prop Dam, Med Pay, Un/Underinsured Motorist, Comp, Coll.
- Account Discount, Bodily Injury, Prop Dam, Med Pay, Un/Underinsured Motorist, Comp, Coll.
- Contributing Vehicle Credit: deviation will be applied on non-fleet private passenger autos, pickups, vans & classic autos for bodily injury property damage, medical payments & collision for single car policy yet have more than one private passenger auto insured with The Travelers.
- Renewal Credit – varying by territory and coverage will be applied to voluntary private passenger automobile rates if the insured has maintained an automobile policy with the Travelers for the last six (6) or more consecutive years.
- Hybrid Vehicle Discount 10% discount.
- Effective 7-4-07 PC103962 North Carolina Department of Insurance

Travelers Property Casualty Company of America

- Account Credit: 10% credit when voluntary auto & homeowners policy with The Travelers.
- Careful Driver Credit: 7% non-fleet private passenger auto bodily injury, property damage, medical payments & collision that have 0 SDIP pts. for the last 3 consecutive yrs.
- Senior Driver Credit: Credit varies 3% - 6% when criteria is met.
- Contributing Vehicle Credit: 25% non-fleet private passenger auto bodily injury, property damage, medical payments & collision for single car policy, yet have more than one auto insured with The Travelers.
- Contributing Vehicle Credit: 15% non-fleet private passenger auto comprehensive, fire/fire & theft/fire, theft, CAC for insured who have a single car policy, yet have more than one auto insured with The Travelers.
- Highly Preferred Credit: 19% credit when certain criteria is met.
- Preferred Credit: 10% credit when certain criteria is met.
- Eff. 8-21-99
- Name changed from Travelers Indemnity Company of Illinois effective 1/1/04.

Travelers Personal Security Insurance Company

- Territorial Deviations - Credit varies by Territory.
- Insurance Financial Score (tier) for other than inexperienced operators (years of driving experience).
- Account Discount - when both voluntary private passenger automobile policy and a dwelling homeowners policy with Travelers.
- Contributing Vehicle Credit - 35% credit for collision coverage for single car and more than one private passenger auto with the Travelers.
- Company Pricing Factor
- Hybrid Vehicle Discount 10% discount.
- Eff 7-4-07 PC103963 North Carolina Department of Insurance

Truck Insurance Exchange

- Territory Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Household Group Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Single Car, 12 or more SDIP points, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Multi Car with 12 or more SDIP points, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- High Points-Single car, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- High Points-Multi Car, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Multi-Car/Paid-in-full/Auto-Home/Mobile Home, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Accident and Point, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Major Violation Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Minor Violation and Points Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Market and Points Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Points and Inexperienced Operator Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Household Structure Deviation, Rule 4.1, Bodily Injury, Property Damage, Medical Payment.
- Installment Payment-Electronic Funds Transfer.
- Territory Deviation-Physical Damage, Collision and Other than Collision.
- Household Group Deviation, Rule 4.1, Collision and Other than Collision.
- Single Car-Points Deviation, Rule 4.1, Collision and Other than Collision.
- Multi Car, One Collision Vehicle, Points.
- Multi Car, Two or More Collision Vehicles, Points.
- High Points Deviation Single Car-Physical Damage.
- High Points Deviation Multi Car-Physical Damage.
- Discount Deviation-Multi Policy, Rule 4.1, Comprehensive and Collision coverages.
- Accident and Point Deviation-Physical Damage.
- Major Violation-Physical Damage, Rule 4.1, Collision and Other than Collision.
- Minor Violation and Points Deviation-Physical Damage.
- Market and Points Deviation-Physical Damage.
- Points and Inexperienced Operator Deviation, Collision and Other than Collision.
- Household Structure Deviation-Physical Damage.
- Eff 10-1-07 PC102718 North Carolina Department of Insurance

Twin City Fire Insurance Company

- Principal Operator age 55-69 comp and coll credit varies by territory.
- Principal Operator age 70 comp and coll credit varies by territory.
- All other operators comp and coll credit varies by territory.
- 4% Account Credit: 4% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision rates when Insured has qualifying homeowners policy in effect with one of the Hartford Group Companies. (The HO-4 policy qualifies for a 5% credit.)
- Agency Book Transfer Credit
- Eff 3-1-05 PC079092 Filing Detail

USAA Casualty Insurance Company

- Deviation on liability, physical damage, med pays, uninsured motorist coverage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: coverage for audio, visual & data electronics equipment.
- Deviation on med pay coverage for vehicles equipped with passive restraints (seat belts).
- Age 55 and over discount.
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: covered property coverage
- Discount for vehicles insured for Part D – Coverage for Damage to your Auto: Customizing Equipment Coverage.
- Discount collision for vehicles equipped with a daytime running light device.

- Deviation for Safe Driver Incentive Discount.
- Deviation on 6 month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owner Policy deviation.
- Eff 4-9-07 PC103019 North Carolina Department of Insurance

USAA General Indemnity Company

- Discount for Other Than Collision coverage for vehicles equipped with passive anti-theft disabling devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for vehicles insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation on 6 month & annual short rate cancellation tables.
- Installment Payment Plan.
- Named Non-Owned Policy deviation.
- Eff. 11-15-06 PC097666 North Carolina Department of Insurance

Uniqard Indemnity Company

- 5% non-fleet private passenger auto physical damage rates. Deviation applies: (1) All vehicles assigned to driver 55 yrs. of age or older, (2) All vehicles on policy, regardless of number, if all drivers are 55 yrs. of age or older, (3) Private passenger vehicles only.
- 10% non-fleet private passenger auto physical damage rates when same insured also has Homeowners Form HO-3 or HO-6.
- Eff. 9-5-89

United Services Automobile Association

- Deviation on liability, physical damage, extended transportation and towing & labor, and extended non-owned auto coverage.
- Deviation on Other Than Collision coverage for vehicles equipped with active disabling anti-theft devices.
- Deviation on Other Than Collision coverage for vehicles equipped with a window identification system.
- Deviation on Other Than Collision coverage for vehicles equipped with passive disabling anti-theft devices.
- Discount for vehicles insured for Part D – Coverage for Damage to Your Auto: Coverage for Audio, visual and Data Electronic Equipment.
- Deviation on med pay coverage for vehicles equipped with air bags and any other type passive restraints.
- Age 55 and over discount.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: Covered property coverage.
- Discount for trailers insured for Part D – Coverage for Damage to Your auto: customizing Equipment coverage.
- Discount collision for vehicles equipped with a daytime running light device.
- Deviation for Safe Driver Incentive Discount.
- Deviation on six month and annual short rate cancellation tables.
- Installment Payment Plan.
- Named On-Owned Policy deviation.
- Eff. 4-6-07 PC103006 North Carolina Department of Insurance

United States Fidelity & Guaranty Company

- Multi-Policy Discount: 2% credit to total non-fleet private passenger auto insurance premium when both auto & home-owners policies are purchased through USF&G Group when certain criteria is met.
- 2% credit non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision premium when principal operator is age 55 & over and there are no inexperienced operators in household.
- Physical Damage Deviation: 6% applies to comprehensive & collision.
- Special Package Discount: 5% credit total policy premium for insured who meet specified underwriting guidelines.
- 15% non-fleet private passenger auto total premium for insureds who are a participant through any of the USF&G Group Marketing Plans.
- Eff. 9-1-00

Unitrin Auto and Home Insurance Company

- Pricing Level Voluntary deviations no points.
- Extended Transportation Expense Coverage (Package Plus Only).
- Pro Rata Cancellation (Package Plus).
- Principal Operator Credit aged 55 and over; no inexperienced operators, apply 1% discount to BI, PD, Collision and Comprehensive (Price levels A through Q only)
- Electronic Funds Transfer (EFT) 22. Installment Payments-No installment charge will be applied
- Network Discount, Rule 4.H, 6% discount applied to Bodily Injury, Property Damage, Medical Payments, Collision and Comprehensive
- Vehicles Equipped with Anti-Theft Devices, Rule 4.H (Pricing Levels A through Q). 1. Alarm Only and Active Disabling Devices -5% discount on Comprehensive Coverage. 2. Passive Disabling Devices-15% discount on Comprehensive Coverage
- Package Plus Deviation, Rule 4.H, Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision

- Safe Driver Insurance Plan (SDIP) Rule
- Eff 7-14-07 PC103547 North Carolina Department of Insurance

Universal Insurance Company

- 15.0% non-fleet private passenger auto bodily injury, property damage & medical payments for DWI conviction limited to one lifetime alcohol related conviction per household. Credit applies to single car. SDIP pts. must be between 12- 20.
- 7.5% Multi-car, non-fleet private passenger auto bodily injury, property damage & medical payments when an Insured has a DWI conviction and SDIP pts. are between 12 & 20. There can be no more than one lifetime alcohol related conviction per household.
- 3.5% non-fleet private passenger auto bodily injury, property damage & medical payments when an insured has a DWI & SDIP pts. are between 8 & 14. Credit applies to single or multi-car risk.
- 5% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 10% non-fleet private passenger auto comprehensive & collision with 8-9 SDIP pts. based on model year of auto.
- 25% non-fleet private passenger auto comprehensive & collision with 10-18 SDIP pts. based on model year of auto.
- 40% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 20% non-fleet private passenger auto comprehensive & collision with 12-14 SDIP pts. based on model year of auto.
- 52% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, single car risk with 12-20 SDIP pts.
- 42% non-fleet private passenger auto bodily injury, property damage & medical payments for experience drivers, multi-car risk with 12-20 SDIP pts. by at least one driver.
- Eff. 2-1-98

Utica Mutual Insurance Company

- Mass Merchandising Plan: 15% discount on base rates for employees of Utica National Insurance Group.
- Personal Auto Account Credit: 5% credit applied to basic premium when auto & homeowner policy is insured by Utica National Insurance Group.
- 5% payroll deduction provided the named insured is employed through an employer enrolled in the Company Workplace Insurance Service for Employees (W.I.S.E.) program or is a member of a company approved affinity group.
- Company Car Discount: Apply multi-car rating factor to single car policies when certain criteria is met.
- Eff. 12-1-00

Valiant Insurance Company

- 5% non-fleet private passenger auto comprehensive & collision insurance rates.
- 5% non-fleet private passenger auto bodily injury, property damage, comprehensive & collision coverage if named insured is an educator.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured with 3 years with "0" SDIP pts.
- 10% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for loss free credit insured 6 years with "0" SDIP pts.
- 5% non-fleet private passenger auto bodily injury & property damage for anti-lock brakes.
- 5% non-fleet private passenger auto comprehensive with anti-theft device (active).
- 10% non-fleet private passenger auto comprehensive with anti-theft device (passive).
- 5% non-fleet private passenger auto bodily, property damage, medical payments, comprehensive & collision for mature driver.
- 5% non-fleet private passenger auto bodily injury, property damage, medical payments, comprehensive & collision for account driver.
- 5% non-fleet private passenger auto comprehensive & collision for multi-car policies.
- 15% non-fleet private passenger auto comprehensive & collision for cars with "0" SDIP pts.
- Eff. 2-15-98

Vigilant Insurance Company

- Various deviations for bodily injury, property damage, medical payments & uninsured motorist coverage for antique autos.
- Reduced rates for physical damage coverage for antique autos.
- Deviation for split limit bodily injury increased limits.
- Eff. 7-1-03 PC062944 North Carolina Department of Insurance

West American Insurance Company

- Fampak Discount: 5% credit for all coverages.
- Prime Life Discount: 4% credit for all coverages: Certain criteria must be met.
- Employee Discount: 15% credit for all coverages.
- Base Rate Deviation by territory for bodily injury, property damage, medical payments, uninsured motorists, comprehensive & collision coverages.
- Anti-Theft Discount: Comprehensive Coverage only: 5% & 15% credit: Certain criteria apply.
- Eff. 9-1-00

Western General Insurance Company

- 8% discount to physical damage coverages base rates, if liability insurance is provided.

Eff: 11-15-06 PC098332

- (ii) The Rate Bureau does not have appropriate data upon which to base an estimate of the amount of premium written at deviated rates. The total amount of premium written by companies that deviate downward from manual rates on any portion of their voluntary liability and standard physical damage policies is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2002	1,377,262,624	1,185,992,583
2003	1,444,241,105	1,182,722,887
2004	1,465,259,834	1,143,847,117
2005	1,393,162,967	1,081,042,978
2006	1,478,013,511	1,026,780,937

- (iii) The Rate Bureau does not have appropriate data upon which to base an estimate of the percentage of statewide premium written at deviated rates. The estimated percentage of statewide premium written by companies that deviate downward from manual rates on any portion of their voluntary liability and standard physical damage policies is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2002	99.1	93.4
2003	97.4	95.7
2004	92.8	95.9
2005	89.2	83.2
2006	89.6	76.2

- (iv) See RB-5 for the amount of downward deviations on voluntary liability and standard physical damage business in dollars.
- (v) The Rate Bureau does not have appropriate data upon which to base an estimate of the average percentage deviation on policies written by companies at deviated rates. The estimated average percentage downward deviation from manual rates for companies that deviate on any portion of their voluntary liability and standard physical damage policies, as a percentage of the total premium written on such policies by such companies, is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (c)</u>
2002	16.1	19.2
2003	13.0	15.5
2004	10.8	9.3
2005	13.6	13.7
2006	15.3	16.0

- (vi) The average percentage deviation for all companies, as a percentage of the total premium written by all companies on voluntary liability and standard physical damage policies (whether they grant deviations or not), is shown on Exhibit RB-5.

- (a) Based on NCRB Special Call and, as noted, excludes business ceded to the North Carolina Reinsurance Facility.
- (b) Based on NCRB Special Call excluding non-standard business (as noted).
- (c) Based on Page 15 Annual Statement written premiums excluding non-standard business (as noted).

COMPANIES PAYING PRIVATE PASSENGER AUTOMOBILE INSURANCE DIVIDENDS

Liability

Metropolitan Direct P & C Insurance Co
Metropolitan Property & Casualty Ins Co
United Services Automobile Association
USAA Casualty Insurance Company
USAA General Ins Co

2006

Physical Damage

Metropolitan Direct P & C Insurance Co
Metropolitan Property & Casualty Ins Co
United Services Automobile Association
USAA Casualty Insurance Company
USAA General Ins Co

Liability

Metropolitan Direct P & C Insurance Co
Metropolitan Property & Casualty Ins Co
United Services Automobile Association
USAA Casualty Insurance Company
USAA General Ins Co

2005

Physical Damage

Metropolitan Direct P & C Insurance Co
Metropolitan Property & Casualty Ins Co
United Services Automobile Association
USAA Casualty Insurance Company
USAA General Ins Co

Liability

United Services Automobile Association
Metropolitan Direct P & C Insurance Co

2004

Physical Damage

United Services Automobile Association
St Paul Fire & Marine
Metropolitan Direct P & C Insurance Co
Metropolitan P & C

Liability

USAA Casualty Insurance Co
United Services Automobile Association
American Protection Insurance Company

2003

Physical Damage

St Paul Fire & Marine
St Paul Guardian Ins Co
St Paul Mercury Ins Co
United Services Automobile Association
USAA Casualty Insurance Company

Liability

Amica Mutual Insurance Company
United Services Automobile Association

2002

Physical Damage

St Paul Mercury Ins Co
St Paul Guardian Ins Co
United Services Automobile Association

- (ii) Estimated premium on voluntary liability and standard physical damage policies of companies issuing dividends

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2002	45,133,242	42,582,682
2003	82,663,105	77,586,251
2004	58,285,510	48,032,465
2005	90,904,273	79,391,036
2006	100,119,472	78,656,476

- (iii) Estimated percentage of statewide premium written on voluntary liability and standard physical damage policies by companies issuing dividends

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2002	3.2	3.4
2003	5.6	6.3
2004	3.7	4.0
2005	5.8	6.1
2006	6.1	5.8

- (iv) See RB-5 for the amount of dividends on voluntary liability and standard physical damage business in dollars.

- (v) The Rate Bureau does not have appropriate data upon which to base an estimate of the average percentage dividend on policies receiving dividends by all companies issuing dividends. The average percentage dividend issued by all companies issuing dividends, as a percentage of the total premium written on voluntary liability and standard physical damage policies by such companies, is as follows:

<u>Year</u>	<u>Liability (a)</u>	<u>Physical Damage (b)</u>
2002	6.5	5.9
2003	6.4	6.3
2004	6.5	7.1
2005	5.4	5.1
2006	5.0	5.8

- (vi) The average percentage dividend issued by all companies, as a percentage of the total premium written on voluntary liability and standard physical damage policies by all companies (whether they issue dividends or not), is shown on Exhibit RB-5.

- (a) Based on Page 15 Annual Statement written premiums excluding business ceded to the North Carolina Reinsurance Facility (as noted).
- (b) Based on Page 15 Annual Statement written premiums excluding non-standard business (as noted).

NORTH CAROLINA
COMPARISON OF ANNUAL STATEMENT AND FILING INFORMATION

LIABILITY

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2004	1,598,924,786	2,119,188,172	1,384,163,219	2,216,925,881
2005	1,575,388,913	2,268,296,335	1,400,405,527	2,278,060,406
2006	1,703,407,276	2,316,658,861	1,465,080,755	2,324,481,694

The data are not comparable for the following reasons:

- Annual Statement premium is at total limits collected level. Filing premium is at a basic limits current level for Bodily Injury, Property Damage, and Uninsured Motorists, and at a total limits level for Medical Payments and Underinsured Motorists.
- Annual Statement losses are on a total limits basis and do not include any loss adjustment expenses. Filing losses are on a basic limits basis for all coverages other than Medical Payments and Underinsured Motorists. Losses include allocated loss adjustment expense only for Bodily Injury, Property Damage and Medical Payments, and all loss adjustment expenses for Uninsured Motorists and Underinsured Motorists.
- Annual statement losses include reserves for incurred but not reported claims. Filing losses are developed to an ultimate basis and therefore reflect reserves for incurred but not reported claims.

PHYSICAL DAMAGE

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2004	934,796,980	1,686,955,656	827,087,939	1,334,315,774
2005	913,689,890	1,856,188,213	826,197,367	1,362,205,222
2006	999,416,417	1,876,085,747	901,532,948	1,406,554,611

The data are not comparable for the following reasons:

- Annual Statement premium is on a collected basis. Filing premium is at current level.
- Annual Statement data includes catastrophe losses for the Comprehensive coverage. Filing losses replace actual catastrophe losses with a long-term wind and water provision.

NORTH CAROLINA
VOLUNTARY FILING
EXPECTED LOSS RATIOS

	1/1/2005 Implementation	5/15/2006 Implementation	11/15/2006 Implementation
Bodily Injury	.612	.713	.701
Property Damage	.617	.747	.691
Medical Payments	.702	.735	.743
Uninsured Motorists (a)	.644	.643	.572
Underinsured Motorists (a)	.960	.859	1.203
Comprehensive	.640	.723	.663
Collision	.658	.724	.705

(a) Voluntary and ceded business combined.

NORTH CAROLINA
MOTORCYCLES
EXPECTED LOSS RATIOS

	1/1/2005 Implementation	5/15/2006 Implementation	11/15/2006 Implementation
Coverage			
Liability (a)	.557	.705	.645

(a) Voluntary and ceded business combined.

Bodily Injury

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	\$633,293,280	\$ 89,692,162	1.017	\$735,276,195
12/31/2005	515,260,290	173,775,538	1.066	734,512,193
12/31/2006	293,454,962	358,372,124	1.175	765,896,826

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	\$68,349,927	1.031	1.206	\$840,499,769
12/31/2005	77,625,443	1.041	1.162	854,827,958
12/31/2006	78,991,213	1.024	1.120	872,748,508

Property Damage

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	\$560,420,413	\$ 809,988	1.001	\$561,791,631
12/31/2005	568,418,800	2,156,278	1.008	575,139,679
12/31/2006	572,247,888	14,131,125	1.027	602,211,246

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	\$70,576,703	1.072	1.206	\$687,356,132
12/31/2005	69,954,733	1.087	1.162	706,464,231
12/31/2006	66,634,604	1.062	1.120	714,179,100

Local Payments

<u>Accident Year</u>	<u>Total Limits Paid Losses (a)</u>	<u>Total Limits Reserves (a)</u>	<u>Total Limits Loss Dev. (b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	\$89,498,041	\$ 739,571	1.007	\$90,869,275
12/31/2005	86,263,443	2,002,203	1.021	90,119,225
12/31/2006	76,128,360	14,179,220	1.078	97,351,571

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp. (c)</u>	<u>Loss Trend Factors (d)</u>	<u>LAE Trend Factors (d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	\$10,303,514	0.917	1.206	\$ 95,753,163
12/31/2005	11,578,958	0.964	1.162	100,329,682
12/31/2006	12,395,194	0.982	1.120	109,481,860

(a) Data on a paid/reserve basis is available only for total limits. See page H-5.

(b) See Section H - Loss Development.

(c) See pages C-1, C-3, and C-5 for the unallocated loss adjustment expense factors.

(d) Using selected trends on page D-8.

See page D-13 and prefiled testimony of P. Woods and M. Miller.

The following pages H-312-371 contain North Carolina private passenger data by territory for years ended December 31, 2004, 2005 and 2006.

Liability data is for voluntary and ceded risks. Losses are not developed and include allocated loss adjustment expense only. Excess is calculated on a 30/60/25 basis.

Physical Damage data is for voluntary and consent to rate risks on a paid basis and does not include loss adjustment expense. Coverage codes are defined as follows:

001	Full Coverage Comprehensive
003	\$50 Deductible Comprehensive
010	\$100 Deductible Comprehensive
055	\$250 Deductible Comprehensive
726	\$500 Deductible Comprehensive
727	\$1,000 Deductible Comprehensive
072	\$50 Deductible Collision
073	\$200 Deductible Collision
074	\$100 Deductible Collision
076	\$250 Deductible Collision
077	\$500 Deductible Collision
078	\$1,000 Deductible Collision

See also pages C-13-16.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2004	103828	12744418	7780437	1621079	1344	5789	1.29	74.94
	2005	107926	13373169	6453335	1470906	1362	4738	1.26	59.79
	2006	111047	13836989	6893108	2002095	1354	5091	1.22	62.07
	Total	322801	39954576	21126880	5094080	4060	5204	1.26	65.45
13 Durham	2004	132950	24720977	15428462	2867640	2401	6426	1.81	116.05
	2005	135502	25424114	14045481	2404595	2356	5962	1.74	103.66
	2006	137456	25830219	12688608	3004174	2411	5263	1.75	92.31
	Total	405908	75975310	42162551	8276409	7168	5882	1.77	103.87
14 Greensboro-Hamilton Lakes	2004	148110	26353588	15745729	3144193	2630	5987	1.78	106.31
	2005	150274	26923821	13873004	1935049	2400	5780	1.60	92.32
	2006	152149	27280064	14590824	2496009	2589	5636	1.70	95.90
	Total	450533	80557473	44209557	7575251	7619	5803	1.69	98.13
15 High Point	2004	49423	9348071	5928286	1629963	1054	5625	2.13	119.95
	2005	49936	9529932	5552819	851548	959	5790	1.92	111.20
	2006	49822	9398226	4334829	294534	875	4954	1.76	87.01
	Total	149181	28276229	15815934	2776045	2888	5476	1.94	106.02
16 Raleigh	2004	362142	61065279	36570763	7559371	5784	6323	1.60	100.98
	2005	378669	63759026	36942296	7440381	5634	6557	1.49	97.56
	2006	396872	66728080	34082298	6514733	5954	5724	1.50	85.88
	Total	1137683	191552385	107595357	21514485	17372	6194	1.53	94.57

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	132961	26585858	16146588	3374137	2524	6397	1.90	121.44
	2005	140115	28208766	15721440	3115849	2495	6301	1.78	112.20
	2006	145324	29211418	14794982	2022403	2446	6049	1.68	101.81
	Total	418400	84006042	46663010	8512389	7465	6251	1.78	111.53
18 Winston-Salem	2004	152418	21822867	13600107	2773002	2299	5916	1.51	89.23
	2005	155530	22657784	13766084	3869849	2455	5607	1.58	88.51
	2006	159271	23430406	12591259	1924507	2291	5496	1.44	79.06
	Total	467219	67911057	39957450	8567358	7045	5672	1.51	85.52
24 Western Territories	2004	1983419	266101721	146798079	33558267	24041	6106	1.21	74.01
	2005	2034356	276059741	146158718	34930497	23789	6144	1.17	71.85
	2006	2066500	277701578	143042881	30127603	24618	5810	1.19	69.22
	Total	6084275	819863040	435999678	98616367	72448	6018	1.19	71.66
25 Gaston County	2004	131414	21110977	14561079	1678393	2520	5778	1.92	110.80
	2005	134593	21982867	15711915	2061921	2614	6011	1.94	116.74
	2006	136978	22573871	13338011	1577392	2584	5162	1.89	97.37
	Total	402985	65667715	43611005	5317706	7718	5651	1.92	108.22
26 Southern Territories	2004	435938	82892995	58470718	10669687	7762	7533	1.78	134.13
	2005	452651	86353791	52704734	10120969	7329	7191	1.62	116.44
	2006	464301	91613741	51148438	8661752	7927	6452	1.71	110.16
	Total	1352890	260860527	162323890	29452408	23018	7052	1.70	119.98

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	286356	50711637	29996279	6276140	4680	6409	1.63	104.75
	2005	301459	53422330	29717704	4786599	4671	6362	1.55	98.58
	2006	310939	54786563	27633145	4372843	4799	5758	1.54	88.87
	Total	898754	158920530	87347128	15435582	14150	6173	1.57	97.19
32 Guilford, Buncombe, etc.	2004	630423	90548881	50556508	11032662	8680	5824	1.38	80.19
	2005	650503	94097526	48165870	10417066	8330	5782	1.28	74.04
	2006	666538	95243290	48761504	10764085	8891	5484	1.33	73.16
	Total	1947464	279889697	147483882	32213813	25901	5694	1.33	75.73
33 Eastern Territories	2004	742041	123731947	76068691	14266404	10716	7099	1.44	102.51
	2005	762516	128054296	72138092	13034505	10404	6934	1.36	94.61
	2006	773114	129881522	64936889	10717753	10517	6174	1.36	83.99
	Total	2277671	381667765	213143672	38018662	31637	6737	1.39	93.58
40 Fayetteville	2004	184972	38735339	24821695	3188824	4374	5675	2.36	134.19
	2005	186244	37701446	23634979	3364944	4086	5784	2.19	126.90
	2006	188976	38382720	25086791	3575512	4374	5735	2.31	132.75
	Total	560192	114819505	73543465	10129280	12834	5730	2.29	131.28
41 Onslow County	2004	100283	19033994	10826365	1050131	1644	6585	1.64	107.96
	2005	103547	18823762	10332833	1591506	1588	6507	1.53	99.79
	2006	106748	19019330	10390644	870042	1642	6328	1.54	97.34
	Total	310578	56877086	31549842	3511679	4874	6473	1.57	101.58

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	71887	11956166	8184901	1615514	1140	7180	1.59	113.86
	2005	73820	12152418	6231077	662691	995	6262	1.35	84.41
	2006	75126	12338233	6508907	1220456	1007	6464	1.34	86.64
	Total	220833	36446817	20924885	3498661	3142	6660	1.42	94.75
47 Wayne County	2004	83447	14093375	8472246	1622886	1283	6603	1.54	101.53
	2005	85330	14260955	9135479	1938208	1363	6702	1.60	107.06
	2006	85447	14216583	7703082	1741439	1253	6148	1.47	90.15
	Total	254224	42570913	25310807	5302533	3899	6492	1.53	99.56
51 Mecklenburg County Remainder	2004	55521	8183771	3959346	1136176	735	5387	1.32	71.31
	2005	59552	8835074	4585859	1081772	835	5492	1.40	77.01
	2006	69740	10589539	5466026	1120066	1058	5166	1.52	78.38
	Total	184813	27608384	14011231	3338014	2628	5332	1.42	75.81
52 Charlotte	2004	426951	82705159	49705843	20298851	9443	5264	2.21	116.42
	2005	443741	86695096	51278082	7807172	9533	5379	2.15	115.56
	2006	454379	88411876	50076740	4750722	9784	5118	2.15	110.21
	Total	1325071	257812131	151060665	32856745	28760	5252	2.17	114.00
Statewide Totals	2004	6214484	992447020	593622122	129363320	95054	6245	1.53	95.52
	2005	6406264	1028315914	576149801	112886027	93198	6182	1.45	89.94
	2006	6550727	1050474248	554068966	97758120	96374	5749	1.47	84.58
	Total	19171475	3071237182	1723840889	340007467	284626	6057	1.48	89.92

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)			Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits	Claims			
11 Asheville	2004	103828	13727909	9601520	46056	4565	2103	4.40	92.48
	2005	107926	14380032	9936126	72428	4570	2174	4.23	92.06
	2006	111047	14688848	10501391	32645	4600	2283	4.14	94.57
	Total	322801	42796789	30039037	151129	13735	2187	4.25	93.06
13 Durham	2004	132950	21727814	15239549	97440	6600	2309	4.96	114.63
	2005	135502	22219794	15217990	59699	6427	2368	4.74	112.31
	2006	137456	22435048	15108860	112722	6112	2472	4.45	109.92
	Total	405908	66382656	45566399	269861	19139	2381	4.72	112.26
14 Greensboro-Hamilton Lakes	2004	148110	23923498	16054605	81325	7300	2199	4.93	108.40
	2005	150274	24288965	15465173	144440	7075	2186	4.71	102.91
	2006	152149	24396508	16599278	74658	7192	2308	4.73	109.10
	Total	450533	72608971	48119056	300423	21567	2231	4.79	106.80
15 High Point	2004	49423	7656046	5086762	43786	2382	2136	4.82	102.92
	2005	49936	7715900	5089581	56325	2329	2185	4.66	101.92
	2006	49822	7632844	4823626	19244	2172	2221	4.36	96.82
	Total	149181	23004790	14999969	119355	6883	2179	4.61	100.55
16 Raleigh	2004	362142	59774310	40531289	142816	16665	2432	4.60	111.92
	2005	378669	62107696	41905381	358725	17002	2465	4.49	110.66
	2006	396872	63951423	43433438	446101	16981	2558	4.28	109.44
	Total	1137683	185833429	125870108	947642	50648	2485	4.45	110.64

- Notes:
- (1) Not under fleet plan.
 - (2) Premiums include charges for excess limits.
 - (3) Claim frequency is per 100 cars.
 - (4) Basic limits.
 - (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	132961	20671036	15416934	100240	6229	2475	4.68	115.95
	2005	140115	21785899	16409939	118752	6410	2560	4.57	117.12
	2006	145324	22475236	16056688	76526	6156	2608	4.24	110.49
	Total	418400	64932171	47883561	295518	18795	2548	4.49	114.44
18 Winston-Salem	2004	152418	20821152	14099747	14749	7035	2004	4.62	92.51
	2005	155530	21433895	15256116	99780	7137	2138	4.59	98.09
	2006	159271	21918282	14467545	132997	6713	2155	4.21	90.84
	Total	467219	64173329	43823408	247526	20885	2098	4.47	93.80
24 Western Territories	2004	1983419	235353173	150589580	1024648	67159	2242	3.39	75.92
	2005	2034356	242307684	152051811	1323558	67058	2267	3.30	74.74
	2006	2066500	241723807	157289765	1189000	67395	2334	3.26	76.11
	Total	6084275	719384664	459931156	3537206	201612	2281	3.31	75.59
25 Gaston County	2004	131414	19293077	13339095	97381	5962	2237	4.54	101.50
	2005	134593	19796266	14063489	63618	6073	2316	4.51	104.49
	2006	136978	19892886	13578965	69921	5929	2290	4.33	99.13
	Total	402985	58982229	40981549	230920	17964	2281	4.46	101.69
26 Southern Territories	2004	435938	54108087	36946144	131436	15386	2401	3.53	84.75
	2005	452651	55672924	36487694	245242	15305	2384	3.38	80.61
	2006	464301	57306406	38964572	363095	15546	2506	3.35	83.92
	Total	1352890	167087417	112398410	739773	46237	2431	3.42	83.08

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	286356	40183747	26794146	189307	11571	2316	4.04	93.57
	2005	301459	42063485	28392713	206303	12175	2332	4.04	94.18
	2006	310939	43016091	29598838	259989	11837	2501	3.81	95.19
	Total	898754	125263323	84785697	655599	35583	2383	3.96	94.34
32 Guilford, Buncombe, etc.	2004	630423	81445974	54162120	332426	24233	2235	3.84	85.91
	2005	650503	84066042	54838142	419444	23856	2299	3.67	84.30
	2006	666538	84573428	55780218	303420	24297	2296	3.65	83.69
	Total	1947464	250085444	164780480	1055290	72386	2276	3.72	84.61
33 Eastern Territories	2004	742041	83266653	57464757	490845	24536	2342	3.31	77.44
	2005	762516	85337565	57014290	390402	23891	2386	3.13	74.77
	2006	773114	86604564	58249269	556825	23983	2429	3.10	75.34
	Total	2277671	255208782	172728316	1438072	72410	2385	3.18	75.84
40 Fayetteville	2004	184972	29544777	21819500	73758	9521	2292	5.15	117.96
	2005	186244	28907290	20999478	12485	9093	2309	4.88	112.75
	2006	188976	29724022	21910774	52271	9046	2422	4.79	115.94
	Total	560192	88176089	64729752	138514	27660	2340	4.94	115.55
41 Onslow County	2004	100283	15570613	10891564	106019	4454	2445	4.44	108.61
	2005	103547	15443467	11072267	80127	4549	2434	4.39	106.93
	2006	106748	16051522	11992345	90068	4552	2635	4.26	112.34
	Total	310578	47065602	33956176	276214	13555	2505	4.36	109.33

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NOP CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	71887	8447370	6307560	65885	2644	2386	3.68	87.74
	2005	73820	8547658	5884187	16356	2586	2275	3.50	79.71
	2006	75126	8924721	6379135	9516	2621	2434	3.49	84.91
	Total	220833	25919749	18570882	91757	7851	2365	3.56	84.09
47 Wayne County	2004	83447	10409093	6761278	21969	3015	2243	3.61	81.02
	2005	85330	10519620	6950670	38094	3038	2288	3.56	81.46
	2006	85447	10441936	6619841	34754	2795	2368	3.27	77.47
	Total	254224	31370649	20331789	94817	8848	2298	3.48	79.98
51 Mecklenburg County Remainder	2004	55521	7837674	5611217	24547	2431	2308	4.38	101.06
	2005	59552	8408240	6161783	54177	2576	2392	4.33	103.47
	2006	69740	10113466	7356031	86524	2943	2500	4.22	105.48
	Total	184813	26359380	19129031	165248	7950	2406	4.30	103.50
52 Charlotte	2004	426951	74628632	50995877	432524	22421	2274	5.25	119.44
	2005	443741	77474786	53337698	280595	22533	2367	5.08	120.20
	2006	454379	77778537	53546940	211218	22428	2388	4.94	117.85
	Total	1325071	229881955	157880515	924337	67382	2343	5.09	119.15
Statewide Totals	2004	6214484	828390635	557713244	3517157	244109	2285	3.93	89.74
	2005	6406264	852472208	566534528	4040550	243683	2325	3.80	88.43
	2006	6550727	863649575	582257519	4121494	243298	2393	3.71	88.88
	Total	19171475	2544517418	1706505291	11679201	731090	2334	3.81	89.01

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2004	66898	1280573	694991	317247	586	1186	0.88	10.39
	2005	69744	1339738	630472	302181	585	1078	0.84	9.04
	2006	73195	1382939	606630	390006	557	1089	0.76	8.29
	Total	209837	4003250	1932093	1009434	1728	1118	0.82	9.21
13 Durham	2004	90393	2498123	1267682	641161	1240	1022	1.37	14.02
	2005	92602	2567996	1118793	670575	1198	934	1.29	12.08
	2006	94775	2555277	1100756	609571	1046	1052	1.10	11.61
	Total	277770	7621396	3487231	1921307	3484	1001	1.25	12.55
14 Greensboro-Hamilton Lakes	2004	102833	2822754	1480400	638401	1396	1060	1.36	14.40
	2005	104189	2856578	1286856	960700	1303	988	1.25	12.35
	2006	105980	2766808	1448158	658808	1315	1101	1.24	13.66
	Total	313002	8446140	4215414	2257909	4014	1050	1.28	13.47
15 High Point	2004	35127	1045639	563829	272676	567	994	1.61	16.05
	2005	35710	1058022	637659	263695	607	1051	1.70	17.86
	2006	35698	1003837	593487	256041	509	1166	1.43	16.63
	Total	106535	3107498	1794975	792412	1683	1067	1.58	16.85
16 Raleigh	2004	274259	6948763	3769894	1991803	3288	1147	1.20	13.75
	2005	287747	7215252	3845863	1960536	3248	1184	1.13	13.37
	2006	303241	7380921	3868141	2015827	3240	1194	1.07	12.76
	Total	865247	21544936	11483898	5968166	9776	1175	1.13	13.27

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	91025	2812289	1690024	725168	1335	1266	1.47	18.57
	2005	96266	2967710	1552578	735845	1332	1166	1.38	16.13
	2006	100758	2981409	1407404	652032	1253	1123	1.24	13.97
	Total	288049	8761408	4650006	2113045	3920	1186	1.36	16.14
18 Winston-Salem	2004	102625	2244007	1236891	492218	1176	1052	1.15	12.05
	2005	105380	2322473	1240767	439003	1202	1032	1.14	11.77
	2006	109622	2355717	1275617	575387	1248	1022	1.14	11.64
	Total	317627	6922197	3753275	1506608	3626	1035	1.14	11.82
24 Western Territories	2004	1514066	31254306	15605030	6246191	15670	996	1.03	10.31
	2005	1552864	32070549	15781083	6476064	15146	1042	0.98	10.16
	2006	1581439	31096661	15952851	6719481	14623	1091	0.92	10.09
	Total	4648369	94421516	47338964	19441736	45439	1042	0.98	10.18
25 Gaston County	2004	90744	2183150	1285084	494489	1221	1052	1.35	14.16
	2005	92872	2233750	1207074	529817	1255	962	1.35	13.00
	2006	94752	2197919	1217282	611296	1154	1055	1.22	12.85
	Total	278368	6614819	3709440	1635602	3630	1022	1.30	13.33
26 Southern Territories	2004	342672	9871294	6468609	1884437	6208	1042	1.81	18.88
	2005	355937	10163081	5857471	1832644	5607	1045	1.58	16.46
	2006	364724	10283927	6032508	2093180	5615	1074	1.54	16.54
	Total	1063333	30318302	18358588	5810261	17430	1053	1.64	17.27

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	224350	5929351	3685162	1270717	3378	1091	1.51	16.43
	2005	235626	6177741	3758540	1304816	3368	1116	1.43	15.95
	2006	243321	6169835	3625974	1372179	3128	1159	1.29	14.90
	Total	703297	18276927	11069676	3947712	9874	1121	1.40	15.74
32 Guilford, Buncombe, etc.	2004	474903	10393184	5712672	2559482	5342	1069	1.12	12.03
	2005	488668	10622664	5426811	2399526	5031	1079	1.03	11.11
	2006	502510	10390991	5545113	2430480	4989	1111	0.99	11.03
	Total	1466081	31406839	16684596	7389488	15362	1086	1.05	11.38
33 Eastern Territories	2004	643846	16172988	9857461	3136557	9335	1056	1.45	15.31
	2005	659294	16599338	9158951	2949538	8729	1049	1.32	13.89
	2006	666906	16169802	9220632	3135531	8506	1084	1.28	13.83
	Total	1970046	48942128	28237044	9221626	26570	1063	1.35	14.33
40 Fayetteville	2004	107770	3700458	1845679	987481	1926	958	1.79	17.13
	2005	108683	3647787	1809306	1016674	1829	989	1.68	16.65
	2006	111528	3585914	1742051	1235789	1835	949	1.65	15.62
	Total	327981	10934159	5397036	3239944	5590	965	1.70	16.46
41 Onslow County	2004	61093	1798881	921710	583633	808	1141	1.32	15.09
	2005	63813	1845488	777549	494268	737	1055	1.15	12.18
	2006	66893	1865275	773766	529097	702	1102	1.05	11.57
	Total	191799	5509644	2473025	1606998	2247	1101	1.17	12.89

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	56691	1426749	854877	358758	868	985	1.53	15.08
	2005	58622	1470791	819570	363133	814	1007	1.39	13.98
	2006	60019	1441322	883119	484512	821	1076	1.37	14.71
	Total	175332	4338862	2557566	1206403	2503	1022	1.43	14.59
47 Wayne County	2004	67424	1729845	1051019	462271	1069	983	1.59	15.59
	2005	68531	1738121	1053913	397588	1064	991	1.55	15.38
	2006	68724	1654627	923924	385995	961	961	1.40	13.44
	Total	204679	5122593	3028856	1245854	3094	979	1.51	14.80
51 Mecklenburg County Remainder	2004	42234	970039	445507	294920	407	1095	0.96	10.55
	2005	45673	1044835	515875	268454	453	1139	0.99	11.29
	2006	53464	1176112	799548	474936	638	1253	1.19	14.95
	Total	141371	3190986	1760930	1038310	1498	1176	1.06	12.46
52 Charlotte	2004	284443	8620108	5605271	2838210	5111	1097	1.80	19.71
	2005	297210	9022318	5421649	2999809	5023	1079	1.69	18.24
	2006	307656	8904697	5733608	2926863	5292	1083	1.72	18.64
	Total	889309	26547123	16760528	8764882	15426	1087	1.73	18.85
Statewide Totals	2004	4673396	113702501	64041792	26195820	60931	1051	1.30	13.70
	2005	4819431	116964232	61900780	26364866	58531	1058	1.21	12.84
	2006	4945205	115363990	62750569	27557011	57432	1093	1.16	12.69
	Total	14438032	346030723	188693141	80117697	176894	1067	1.23	13.07

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	30582	2030776	1496762	1998	749	6.53	48.94
	2005	30950	2216549	1210149	1845	656	5.96	39.10
	2006	31726	2395097	1103071	1797	614	5.66	34.77
	Total	93258	6642422	3809982	5640	676	6.05	40.85
13 Durham	2004	26163	2551475	1487243	2092	711	8.00	56.85
	2005	25094	2625528	1184052	1802	657	7.18	47.18
	2006	24265	2650002	1277461	1663	768	6.85	52.65
	Total	75522	7827005	3948756	5557	711	7.36	52.29
14 Greensboro-Hamilton Lakes	2004	34176	3148387	1426595	2480	575	7.26	41.74
	2005	33162	3263461	1414501	2215	639	6.68	42.65
	2006	32374	3260330	1924633	2447	787	7.56	59.45
	Total	99712	9672178	4765729	7142	667	7.16	47.79
15 High Point	2004	12588	993991	496074	902	550	7.17	39.41
	2005	12403	1034598	428840	831	516	6.70	34.58
	2006	12099	1069745	529597	767	690	6.34	43.77
	Total	37090	3098334	1454511	2500	582	6.74	39.22
16 Raleigh	2004	81132	7173602	3665954	6258	586	7.71	45.19
	2005	80460	7520229	3798490	5784	657	7.19	47.21
	2006	80224	7875685	4174365	5592	746	6.97	52.03
	Total	241816	22569516	11638809	17634	660	7.29	48.13

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 001 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	24987	2054183	1099168	1286	855	5.15	43.99
	2005	25447	2260999	1110298	1302	853	5.12	43.63
	2006	25505	2310231	1095846	1198	915	4.70	42.97
	Total	75939	6625413	3305312	3786	873	4.99	43.53
18 Winston-Salem	2004	51704	3906309	2309297	3589	643	6.94	44.66
	2005	50720	4082592	2101094	3112	675	6.14	41.43
	2006	50237	4165197	2302161	3077	748	6.12	45.83
	Total	152661	12154098	6712552	9778	686	6.41	43.97
24 Western Territories	2004	642075	61697269	35695226	47492	752	7.40	55.59
	2005	639341	65916575	33599135	43535	772	6.81	52.55
	2006	634009	65762531	38670129	44511	869	7.02	60.99
	Total	1915425	193376375	107964490	135538	797	7.08	56.37
25 Gaston County	2004	36621	2665779	1535547	2234	687	6.10	41.93
	2005	36160	2842490	1405876	1980	710	5.48	38.88
	2006	35970	2962376	1791430	2328	770	6.47	49.80
	Total	108751	8470645	4732853	6542	723	6.02	43.52
26 Southern Territories	2004	84978	10130144	5282294	7507	704	8.83	62.16
	2005	83953	10827158	4810782	6626	726	7.89	57.30
	2006	82911	10865460	5166775	6398	808	7.72	62.32
	Total	251842	31822762	15259851	20531	743	8.15	60.59

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 001 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	64971	6711584	3689412	5384	685	8.29	56.79
	2005	65170	7186024	3479136	4889	712	7.50	53.39
	2006	64898	7185098	3987343	4892	815	7.54	61.44
	Total	195039	21082706	11155891	15165	736	7.78	57.20
32 Guilford, Buncombe, etc.	2004	217469	18843285	10985809	17546	626	8.07	50.52
	2005	216299	19849578	9893352	15729	629	7.27	45.74
	2006	215993	20170036	11164452	16077	694	7.44	51.69
	Total	649761	58862899	32043613	49352	649	7.60	49.32
33 Eastern Territories	2004	189715	24216531	14624173	16897	865	8.91	77.08
	2005	186425	25803993	13498811	15046	897	8.07	72.41
	2006	182718	25513450	14337765	14648	979	8.02	78.47
	Total	558858	75533974	42460749	46591	911	8.34	75.98
40 Fayetteville	2004	22504	2390931	1194593	2148	556	9.54	53.08
	2005	21769	2445556	1082126	1806	599	8.30	49.71
	2006	21296	2424408	943362	1646	573	7.73	44.30
	Total	65569	7260895	3220081	5600	575	8.54	49.11
41 Onslow County	2004	11537	1169586	572319	599	955	5.19	49.61
	2005	11460	1234415	573915	587	978	5.12	50.08
	2006	11430	1168140	643122	601	1070	5.26	56.27
	Total	34427	3572141	1789356	1787	1001	5.19	51.98

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 001	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County		2004	10330	992625	495849	559	887	5.41	48.00
		2005	10240	1057958	499920	559	894	5.46	48.82
		2006	10059	989926	834731	755	1106	7.51	82.98
		Total	30629	3040509	1830500	1873	977	6.12	59.76
47 Wayne County		2004	18828	1695450	862120	1343	642	7.13	45.79
		2005	18509	1792479	944296	1245	758	6.73	51.02
		2006	18152	1724663	879970	1134	776	6.25	48.48
		Total	55489	5212592	2686386	3722	722	6.71	48.41
51 Mecklenburg County Remainder		2004	12349	1048693	700983	1106	634	8.96	56.76
		2005	12960	1171100	673743	1108	608	8.55	51.99
		2006	14239	1311257	850440	1275	667	8.95	59.73
		Total	39548	3531050	2225166	3489	638	8.82	56.26
52 Charlotte		2004	74633	6223686	4095426	5809	705	7.78	54.87
		2005	74268	6621272	4268156	5738	744	7.73	57.47
		2006	73850	7039222	4127662	5422	761	7.34	55.89
		Total	222751	19884180	12491244	16969	736	7.62	56.08
Statewide Totals		2004	1647342	159644286	91714844	127229	721	7.72	55.67
		2005	1634790	169752554	85976672	115739	743	7.08	52.59
		2006	1621955	170842854	95804315	116228	824	7.17	59.07
		Total	4904087	500239694	273495831	359196	761	7.32	55.77

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	5403	336593	231126	306	755	5.66	42.78
	2005	5142	351249	183222	269	681	5.23	35.63
	2006	4972	352324	155613	213	731	4.28	31.30
	Total	15517	1040166	569961	788	723	5.08	36.73
13 Durham	2004	7864	760040	331027	566	585	7.20	42.09
	2005	7542	769943	331004	490	676	6.50	43.89
	2006	7147	746872	331802	470	706	6.58	46.43
	Total	22553	2276855	993833	1526	651	6.77	44.07
14 Greensboro-Hamilton Lakes	2004	9161	840407	322976	604	535	6.59	35.26
	2005	8782	853251	368228	514	716	5.85	41.93
	2006	8397	809889	376233	521	722	6.20	44.81
	Total	26340	2503547	1067437	1639	651	6.22	40.53
15 High Point	2004	2722	207290	108310	182	595	6.69	39.79
	2005	2555	205577	87743	140	627	5.48	34.34
	2006	2548	212331	87604	143	613	5.61	34.38
	Total	7825	625198	283657	465	610	5.94	36.25
16 Raleigh	2004	20297	1755532	797706	1435	556	7.07	39.30
	2005	19640	1775108	828983	1313	631	6.69	42.21
	2006	19226	1787455	786840	1181	666	6.14	40.93
	Total	59163	5318095	2413529	3929	614	6.64	40.79

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	9020	735504	397318	447	889	4.96	44.05
	2005	8933	772394	359009	364	986	4.07	40.19
	2006	8720	751501	308703	376	821	4.31	35.40
	Total	26673	2259399	1065030	1187	897	4.45	39.93
18 Winston-Salem	2004	6596	487508	240651	379	635	5.75	36.48
	2005	6306	490826	252137	360	700	5.71	39.98
	2006	6167	486401	233661	307	761	4.98	37.89
	Total	19069	1464735	726449	1046	695	5.49	38.10
24 Western Territories	2004	82193	7747519	4187334	5391	777	6.56	50.95
	2005	80509	8140796	3503214	4776	734	5.93	43.51
	2006	78491	7925229	3830717	4700	815	5.99	48.80
	Total	241193	23813544	11521265	14867	775	6.16	47.77
25 Gaston County	2004	4620	335881	153225	267	574	5.78	33.17
	2005	4532	352972	150240	245	613	5.41	33.15
	2006	4449	350403	197246	236	836	5.30	44.33
	Total	13601	1039256	500711	748	669	5.50	36.81
26 Southern Territories	2004	17076	2039070	1081390	1445	748	8.46	63.33
	2005	16758	2148675	872491	1239	704	7.39	52.06
	2006	16513	2110164	980218	1220	803	7.39	59.36
	Total	50347	6297909	2934099	3904	752	7.75	58.28

Notes:

- (1) Not under fleet plan.
- (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 003 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	14119	1442500	724070	1131	640	8.01	51.28
	2005	13898	1492485	642698	940	684	6.76	46.24
	2006	13831	1464869	759071	954	796	6.90	54.88
	Total	41848	4399854	2125839	3025	703	7.23	50.80
32 Guilford, Buncombe, etc.	2004	30313	2614984	1373683	2319	592	7.65	45.32
	2005	29646	2689592	1367698	1984	689	6.69	46.13
	2006	29316	2643838	1271487	1996	637	6.81	43.37
	Total	89275	7948414	4012868	6299	637	7.06	44.95
33 Eastern Territories	2004	29213	3678217	1741923	2078	838	7.11	59.63
	2005	28521	3836192	1602898	1991	805	6.98	56.20
	2006	27858	3749912	1988925	1930	1031	6.93	71.40
	Total	85592	11264321	5333746	5999	889	7.01	62.32
40 Fayetteville	2004	8371	890397	468261	778	602	9.29	55.94
	2005	7835	877247	408441	636	642	8.12	52.13
	2006	7524	837371	368571	587	628	7.80	48.99
	Total	23730	2605015	1245273	2001	622	8.43	52.48
41 Onslow County	2004	2468	250819	110964	108	1027	4.38	44.96
	2005	2369	243411	81512	119	685	5.02	34.41
	2006	2287	224297	128810	122	1056	5.33	56.32
	Total	7124	718527	321286	349	921	4.90	45.10

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 003	Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43	Craven County	2004	4520	425379	144573	198	730	4.38	31.99
		2005	4404	452777	218520	214	1021	4.86	49.62
		2006	4238	410892	304068	277	1098	6.54	71.75
		Total	13162	1289048	667161	689	968	5.23	50.69
47	Wayne County	2004	2343	216464	114479	184	622	7.85	48.86
		2005	2276	218196	71406	137	521	6.02	31.37
		2006	2225	209897	115364	140	824	6.29	51.85
		Total	6844	644557	301249	461	653	6.74	44.02
51	Mecklenburg County Remainder	2004	2610	215421	128370	182	705	6.97	49.18
		2005	2622	226603	110681	179	618	6.83	42.21
		2006	2760	240866	103869	179	580	6.49	37.63
		Total	7992	682890	342920	540	635	6.76	42.91
52	Charlotte	2004	17884	1489438	889279	1246	714	6.97	49.72
		2005	17336	1518082	809106	1236	655	7.13	46.67
		2006	16948	1555889	794846	1088	731	6.42	46.90
		Total	52168	4563409	2493231	3570	698	6.84	47.79
Statewide Totals		2004	276793	26468963	13546665	19246	704	6.95	48.94
		2005	269606	27415376	12249231	17146	714	6.36	45.43
		2006	263617	26870400	13123648	16640	789	6.31	49.78
		Total	810016	80754739	38919544	53032	734	6.55	48.05

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	19160	1559714	1069411	1272	841	6.64	55.81
	2005	19602	1728791	689621	1088	634	5.55	35.18
	2006	19985	1841595	706358	1024	690	5.12	35.34
	Total	58747	5130100	2465390	3384	729	5.76	41.97
13 Durham	2004	26122	3074139	1554869	2103	739	8.05	59.52
	2005	25576	3150715	1377231	1860	740	7.27	53.85
	2006	25055	3212884	1447868	1734	835	6.92	57.79
	Total	76753	9437738	4379968	5697	769	7.42	57.07
14 Greensboro-Hamilton Lakes	2004	32824	3666368	1519726	2590	587	7.89	46.30
	2005	32402	3752556	1470758	2203	668	6.80	45.39
	2006	32119	3807075	1942864	2434	798	7.58	60.49
	Total	97345	11225999	4933348	7227	683	7.42	50.68
15 High Point	2004	11129	1126525	597511	840	711	7.55	53.69
	2005	11021	1135825	455531	747	610	6.78	41.33
	2006	10908	1184600	587198	713	824	6.54	53.83
	Total	33058	3446950	1640240	2300	713	6.96	49.62
16 Raleigh	2004	79941	7923046	3844461	6089	631	7.62	48.09
	2005	80848	8279373	3821525	5623	680	6.96	47.27
	2006	82092	8824766	3968514	5623	706	6.85	48.34
	Total	242881	25027185	11634500	17335	671	7.14	47.90

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 010	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17	Wilmington	2004	27266	2482689	1401418	1401	1000	5.14	51.40
		2005	27771	2664275	1225751	1272	964	4.58	44.14
		2006	28079	2811001	1493700	1269	1177	4.52	53.20
		Total	83116	7957965	4120869	3942	1045	4.74	49.58
18	Winston-Salem	2004	28310	2797252	1416105	2119	668	7.48	50.02
		2005	28663	2966235	1401744	1862	753	6.50	48.90
		2006	29321	3238337	1540931	1921	802	6.55	52.55
		Total	86294	9001824	4358780	5902	739	6.84	50.51
24	Western Territories	2004	365082	41805276	22427408	27836	806	7.62	61.43
		2005	374703	45227853	21836319	25744	848	6.87	58.28
		2006	380056	47310957	27416579	27824	985	7.32	72.14
		Total	1119841	134344086	71680306	81404	881	7.27	64.01
25	Gaston County	2004	27822	2461896	1322077	1670	792	6.00	47.52
		2005	28130	2617926	1381313	1583	873	5.63	49.10
		2006	28524	2819723	1532919	1706	899	5.98	53.74
		Total	84476	7899545	4236309	4959	854	5.87	50.15
26	Southern Territories	2004	98865	13017105	7917557	9091	871	9.20	80.08
		2005	101599	14330815	7663811	8202	934	8.07	75.43
		2006	103743	15517561	8301353	8071	1029	7.78	80.02
		Total	304207	42865481	23882721	25364	942	8.34	78.51

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	66984	7983616	4128578	5674	728	8.47	61.64
	2005	69571	8657435	4029499	5342	754	7.68	57.92
	2006	71065	9063166	4768017	5348	892	7.53	67.09
	Total	207620	25704217	12926094	16364	790	7.88	62.26
32 Guilford, Buncombe, etc.	2004	118794	12497222	6463971	9524	679	8.02	54.41
	2005	122533	13452828	5999553	9063	662	7.40	48.96
	2006	125482	14226663	7337721	9250	793	7.37	58.48
	Total	366809	40176713	19801245	27837	711	7.59	53.98
33 Eastern Territories	2004	153043	22504453	13914936	14022	992	9.16	90.92
	2005	155521	24262623	13401524	12931	1036	8.31	86.17
	2006	157303	25865467	15074447	13146	1147	8.36	95.83
	Total	465867	72632543	42390907	40099	1057	8.61	90.99
40 Fayetteville	2004	33722	3992885	1906734	3144	606	9.32	56.54
	2005	33142	4094275	1757428	2763	636	8.34	53.03
	2006	32721	4137217	1877854	2413	778	7.37	57.39
	Total	99585	12224377	5542016	8320	666	8.35	55.65
41 Onslow County	2004	14537	1598948	649055	733	885	5.04	44.65
	2005	14400	1600363	594578	670	887	4.65	41.29
	2006	14198	1549317	761720	679	1122	4.78	53.65
	Total	43135	4748628	2005353	2082	963	4.83	46.49

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 010	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County		2004	16994	1896890	819835	910	901	5.35	48.24
		2005	17268	2008741	988426	949	1042	5.50	57.24
		2006	17206	1927432	1558537	1386	1124	8.06	90.58
		Total	51468	5833063	3366798	3245	1038	6.30	65.42
47 Wayne County		2004	17074	1868897	864105	1217	710	7.13	50.61
		2005	17133	1975128	833048	1081	771	6.31	48.62
		2006	17425	2071298	1017202	1145	888	6.57	58.38
		Total	51632	5915323	2714355	3443	788	6.67	52.57
51 Mecklenburg County Remainder		2004	14652	1406958	822748	1298	634	8.86	56.15
		2005	15101	1501409	650959	1191	547	7.89	43.11
		2006	17097	1764584	963080	1294	744	7.57	56.33
		Total	46850	4672951	2436787	3783	644	8.07	52.01
52 Charlotte		2004	103176	10204586	5991800	7848	763	7.61	58.07
		2005	103809	10812201	5855230	7741	756	7.46	56.40
		2006	103263	11431246	5913581	7321	808	7.09	57.27
		Total	310248	32448033	17760611	22910	775	7.38	57.25
Statewide Totals		2004	1255497	143868465	78632305	99381	791	7.92	62.63
		2005	1278793	154219367	75433849	91915	821	7.19	58.99
		2006	1295642	162604889	88210443	94301	935	7.28	68.08
		Total	3829932	460692721	242276597	285597	848	7.46	63.26

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	8870	714455	382054	393	972	4.43	43.07
	2005	9388	777049	358422	351	1021	3.74	38.18
	2006	9950	832854	292339	332	881	3.34	29.38
	Total	28208	2324358	1032815	1076	960	3.81	36.61
13 Durham	2004	15839	1907001	886493	911	973	5.75	55.97
	2005	16186	1969824	809076	795	1018	4.91	49.99
	2006	16778	2097130	949982	819	1160	4.88	56.62
	Total	48803	5973955	2645551	2525	1048	5.17	54.21
14 Greensboro-Hamilton Lakes	2004	15845	1782434	709338	842	842	5.31	44.77
	2005	16264	1836104	635164	697	911	4.29	39.05
	2006	16837	1936203	1019572	859	1187	5.10	60.56
	Total	48946	5554741	2364074	2398	986	4.90	48.30
15 High Point	2004	4538	435757	198517	233	852	5.13	43.75
	2005	4720	448839	188161	217	867	4.60	39.86
	2006	4970	494942	296824	226	1313	4.55	59.72
	Total	14228	1379538	683502	676	1011	4.75	48.04
16 Raleigh	2004	46432	4681753	1789344	2422	739	5.22	38.54
	2005	48582	4973792	1919073	2307	832	4.75	39.50
	2006	51492	5479233	2294026	2404	954	4.67	44.55
	Total	146506	15134778	6002443	7133	842	4.87	40.97

Notes:

- (1) Not under fleet plan.
- (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	16056	1426225	808560	602	1343	3.75	50.36
	2005	16986	1550543	692216	521	1329	3.07	40.75
	2006	17913	1686302	741925	585	1268	3.27	41.42
	Total	50955	4663070	2242701	1708	1313	3.35	44.01
18 Winston-Salem	2004	11598	1099609	584627	607	963	5.23	50.41
	2005	12004	1143304	494199	505	979	4.21	41.17
	2006	12803	1264115	556440	521	1068	4.07	43.46
	Total	36405	3507028	1635266	1633	1001	4.49	44.92
24 Western Territories	2004	122151	13440798	6644040	6435	1032	5.27	54.39
	2005	130020	14683306	6717528	5961	1127	4.58	51.67
	2006	138780	16097885	8361536	6740	1241	4.86	60.25
	Total	390951	44221989	21723104	19136	1135	4.89	55.56
25 Gaston County	2004	11189	1016369	510731	417	1225	3.73	45.65
	2005	11666	1098293	477720	423	1129	3.63	40.95
	2006	12341	1256781	599154	494	1213	4.00	48.55
	Total	35196	3371443	1587605	1334	1190	3.79	45.11
26 Southern Territories	2004	37506	4872676	2412168	2270	1063	6.05	64.31
	2005	39847	5373196	2836888	2211	1283	5.55	71.19
	2006	41966	5867736	2948424	2315	1274	5.52	70.26
	Total	119319	16113608	8197480	6796	1206	5.70	68.70

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	33074	3815879	1766374	1920	920	5.81	53.41
	2005	35281	4116572	1540411	1779	866	5.04	43.66
	2006	36967	4331284	2154330	1828	1179	4.94	58.28
	Total	105322	12263735	5461115	5527	988	5.25	51.85
32 Guilford, Buncombe, etc.	2004	45867	4672127	1908702	2407	793	5.25	41.61
	2005	48559	5071066	2036667	2299	886	4.73	41.94
	2006	52159	5557292	2521009	2433	1036	4.66	48.33
	Total	146585	15300485	6466378	7139	906	4.87	44.11
33 Eastern Territories	2004	57150	8419945	4820643	3876	1244	6.78	84.35
	2005	60350	9158082	4899270	3802	1289	6.30	81.18
	2006	63327	9929587	5485349	3897	1408	6.15	86.62
	Total	180827	27507614	15205262	11575	1314	6.40	84.09
40 Fayetteville	2004	26705	3154800	1724546	1824	945	6.83	64.58
	2005	26189	3114784	1305044	1519	859	5.80	49.83
	2006	26291	3179145	1512192	1509	1002	5.74	57.52
	Total	79185	9448729	4541782	4852	936	6.13	57.36
41 Onslow County	2004	13157	1487547	628163	510	1232	3.88	47.74
	2005	13226	1429819	697495	568	1228	4.29	52.74
	2006	13323	1396329	693620	531	1306	3.99	52.06
	Total	39706	4313695	2019278	1609	1255	4.05	50.86

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	8752	1005758	388564	380	1023	4.34	44.40
	2005	9164	1051851	401626	367	1094	4.00	43.83
	2006	9515	1080310	678839	592	1147	6.22	71.34
	Total	27431	3137919	1469029	1339	1097	4.88	53.55
47 Wayne County	2004	8108	943902	312370	388	805	4.79	38.53
	2005	8319	972234	367035	390	941	4.69	44.12
	2006	8547	991514	483204	406	1190	4.75	56.53
	Total	24974	2907650	1162609	1184	982	4.74	46.55
51 Mecklenburg County Remainder	2004	7677	704441	304208	403	755	5.25	39.63
	2005	8298	749944	303746	388	783	4.68	36.60
	2006	9998	949489	408803	498	821	4.98	40.89
	Total	25973	2403874	1016757	1289	789	4.96	39.15
52 Charlotte	2004	60674	6169310	3330577	3287	1013	5.42	54.89
	2005	63245	6538593	3549933	3472	1022	5.49	56.13
	2006	65659	7133605	4382996	3700	1185	5.64	66.75
	Total	189578	19841508	11263506	10459	1077	5.52	59.41
Statewide Totals	2004	551188	61750786	30110019	30127	999	5.47	54.63
	2005	578294	66057195	30229674	28572	1058	4.94	52.27
	2006	609616	71561736	36380564	30689	1185	5.03	59.68
	Total	1739098	199369717	96720257	89388	1082	5.14	55.62

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	7970	606395	307786	190	1620	2.38	38.62
	2005	9299	722958	243720	209	1166	2.25	26.21
	2006	10814	866372	243392	210	1159	1.94	22.51
	Total	28083	2195725	794898	609	1305	2.17	28.31
13 Durham	2004	16584	1988172	682033	566	1205	3.41	41.13
	2005	18510	2206507	759148	627	1211	3.39	41.01
	2006	20796	2558777	1101540	712	1547	3.42	52.97
	Total	55890	6753456	2542721	1905	1335	3.41	45.50
14 Greensboro-Hamilton Lakes	2004	15178	1757571	599962	463	1296	3.05	39.53
	2005	16603	1918664	603861	465	1299	2.80	36.37
	2006	18636	2107719	843255	612	1378	3.28	45.25
	Total	50417	5783954	2047078	1540	1329	3.05	40.60
15 High Point	2004	3968	389312	149823	107	1400	2.70	37.76
	2005	4466	431748	166192	135	1231	3.02	37.21
	2006	5183	527198	233717	140	1669	2.70	45.09
	Total	13617	1348258	549732	382	1439	2.81	40.37
16 Raleigh	2004	50808	5111493	1913791	1603	1194	3.16	37.67
	2005	58378	5881012	1980824	1737	1140	2.98	33.93
	2006	68162	7211202	2869869	2024	1418	2.97	42.10
	Total	177348	18203707	6764484	5364	1261	3.02	38.14

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 726	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17	Wilmington	2004	20931	2030283	953624	540	1766	2.58	45.56
		2005	24442	2435648	1125276	575	1957	2.35	46.04
		2006	27731	2790344	1481802	624	2375	2.25	53.43
		Total	73104	7256275	3560702	1739	2048	2.38	48.71
18	Winston-Salem	2004	10984	1050439	399823	322	1242	2.93	36.40
		2005	12423	1191970	491265	352	1396	2.83	39.54
		2006	14390	1473272	508557	380	1338	2.64	35.34
		Total	37797	3715681	1399645	1054	1328	2.79	37.03
24	Western Territories	2004	109952	12162545	4873795	3487	1398	3.17	44.33
		2005	126869	14104685	5580212	3855	1448	3.04	43.98
		2006	149257	16802656	7761348	4981	1558	3.34	52.00
		Total	386078	43069886	18215355	12323	1478	3.19	47.18
25	Gaston County	2004	10299	995782	389745	255	1528	2.48	37.84
		2005	11588	1147967	576377	319	1807	2.75	49.74
		2006	13257	1407237	624141	351	1778	2.65	47.08
		Total	35144	3550986	1590263	925	1719	2.63	45.25
26	Southern Territories	2004	35794	4877422	2175272	1468	1482	4.10	60.77
		2005	41987	5702895	2673610	1616	1654	3.85	63.68
		2006	48924	6712495	3332706	1965	1696	4.02	68.12
		Total	126705	17292812	8181588	5049	1620	3.98	64.57

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 726	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31	Wilson, Rocky Mount, etc.	2004	32361	3705760	1327210	1072	1238	3.31	41.01
		2005	37188	4203803	1440406	1192	1208	3.21	38.73
		2006	43670	4798273	1999888	1448	1381	3.32	45.80
		Total	113219	12707836	4767504	3712	1284	3.28	42.11
32	Guilford, Buncombe, etc.	2004	39563	4052589	1666876	1244	1340	3.14	42.13
		2005	46290	4790911	1682486	1390	1210	3.00	36.35
		2006	54334	5754662	2307005	1709	1350	3.15	42.46
		Total	140187	14598162	5656367	4343	1302	3.10	40.35
33	Eastern Territories	2004	48699	7323388	3310176	2021	1638	4.15	67.97
		2005	55677	8400095	3427452	2136	1605	3.84	61.56
		2006	64742	9703407	4830817	2628	1838	4.06	74.62
		Total	169118	25426890	11568445	6785	1705	4.01	68.40
40	Fayetteville	2004	37053	4839338	1979013	1612	1228	4.35	53.41
		2005	39648	4976977	2150126	1514	1420	3.82	54.23
		2006	43897	5385865	2223653	1599	1391	3.64	50.66
		Total	120598	15202180	6352792	4725	1345	3.92	52.68
41	Onslow County	2004	27296	3943507	1496950	858	1745	3.14	54.84
		2005	29308	3781051	1713738	837	2047	2.86	58.47
		2006	33543	4119229	2241489	1049	2137	3.13	66.82
		Total	90147	11843787	5452177	2744	1987	3.04	60.48

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 726 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	10234	1336176	490485	320	1533	3.13	47.93
	2005	11145	1361545	583250	341	1710	3.06	52.33
	2006	12664	1447205	727182	469	1550	3.70	57.42
	Total	34043	4144926	1800917	1130	1594	3.32	52.90
47 Wayne County	2004	8841	1107167	299658	266	1127	3.01	33.89
	2005	9610	1164958	471071	324	1454	3.37	49.02
	2006	10346	1172803	421108	318	1324	3.07	40.70
	Total	28797	3444928	1191837	908	1313	3.15	41.39
51 Mecklenburg County Remainder	2004	8377	764234	243607	269	906	3.21	29.08
	2005	9753	877982	387894	309	1255	3.17	39.77
	2006	12828	1205430	512103	418	1225	3.26	39.92
	Total	30958	2847646	1143604	996	1148	3.22	36.94
52 Charlotte	2004	67030	6829105	3420579	2432	1406	3.63	51.03
	2005	75027	7705594	3918279	2940	1333	3.92	52.22
	2006	84006	9207559	4542460	2846	1596	3.39	54.07
	Total	226063	23742258	11881318	8218	1446	3.64	52.56
Statewide Totals	2004	561922	64870678	26680208	19095	1397	3.40	47.48
	2005	638211	73006970	29975187	20873	1436	3.27	46.97
	2006	737180	85251705	38806032	24483	1585	3.32	52.64
	Total	1937313	223129353	95461427	64451	1481	3.33	49.28

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	908	59607	18142	10	1814	1.10	19.98
	2005	1172	76210	13780	13	1060	1.11	11.76
	2006	1487	97856	23303	24	971	1.61	15.67
	Total	3567	233673	55225	47	1175	1.32	15.48
13 Durham	2004	1620	166306	71488	49	1459	3.02	44.13
	2005	1892	187088	38221	36	1062	1.90	20.20
	2006	2347	238192	95533	38	2514	1.62	40.70
	Total	5859	591586	205242	123	1669	2.10	35.03
14 Greensboro-Hamilton Lakes	2004	1360	140517	46691	28	1668	2.06	34.33
	2005	1681	163619	81577	27	3021	1.61	48.53
	2006	2023	193856	50615	25	2025	1.24	25.02
	Total	5064	497992	178883	80	2236	1.58	35.32
15 High Point	2004	332	29523	28673	13	2206	3.92	86.36
	2005	377	32902	6476	7	925	1.86	17.18
	2006	501	42264	2037	8	255	1.60	4.07
	Total	1210	104689	37186	28	1328	2.31	30.73
16 Raleigh	2004	5323	466111	71984	97	742	1.82	13.52
	2005	6625	556940	224614	134	1676	2.02	33.90
	2006	8342	699072	239660	165	1452	1.98	28.73
	Total	20290	1722123	536258	396	1354	1.95	26.43

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	2205	186943	102958	42	2451	1.90	46.69
	2005	2721	227772	86600	44	1968	1.62	31.83
	2006	3348	276601	94391	34	2776	1.02	28.19
	Total	8274	691316	283949	120	2366	1.45	34.32
18 Winston-Salem	2004	1067	83163	12915	14	923	1.31	12.10
	2005	1329	106538	20655	25	826	1.88	15.54
	2006	1696	133463	28023	24	1168	1.42	16.52
	Total	4092	323164	61593	63	978	1.54	15.05
24 Western Territories	2004	12214	1233740	445733	203	2196	1.66	36.49
	2005	15008	1509557	596899	262	2278	1.75	39.77
	2006	18650	1852079	519168	363	1430	1.95	27.84
	Total	45872	4595376	1561800	828	1886	1.81	34.05
25 Gaston County	2004	671	57893	21377	10	2138	1.49	31.86
	2005	844	74623	22327	17	1313	2.01	26.45
	2006	1057	91495	48012	20	2401	1.89	45.42
	Total	2572	224011	91716	47	1951	1.83	35.66
26 Southern Territories	2004	2936	353256	89970	64	1406	2.18	30.64
	2005	3587	424151	141240	97	1456	2.70	39.38
	2006	4569	528290	188816	110	1717	2.41	41.33
	Total	11092	1305697	420026	271	1550	2.44	37.87

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average		Pure Prem.
						Claim Cost	Claim Freq. (2)	
31 Wilson, Rocky Mount, etc.	2004	3261	320037	134611	84	1603	2.58	41.28
	2005	4131	394732	50661	85	596	2.06	12.26
	2006	5153	478132	193232	104	1858	2.02	37.50
	Total	12545	1192901	378504	273	1386	2.18	30.17
32 Guilford, Buncombe, etc.	2004	3536	315016	75621	61	1240	1.73	21.39
	2005	4501	393168	77419	68	1139	1.51	17.20
	2006	5761	500684	208519	111	1879	1.93	36.19
	Total	13798	1208868	361559	240	1506	1.74	26.20
33 Eastern Territories	2004	4118	541145	192595	101	1907	2.45	46.77
	2005	4980	654744	166132	114	1457	2.29	33.36
	2006	6234	808678	226428	140	1617	2.25	36.32
	Total	15332	2004567	585155	355	1648	2.32	38.17
40 Fayetteville	2004	2114	257457	55594	53	1049	2.51	26.30
	2005	2516	283482	77486	59	1313	2.34	30.80
	2006	3154	340668	72915	74	985	2.35	23.12
	Total	7784	881607	205995	186	1108	2.39	26.46
41 Onslow County	2004	1477	198945	103910	46	2259	3.11	70.35
	2005	1921	232408	85479	44	1943	2.29	44.50
	2006	2586	277479	168411	63	2673	2.44	65.12
	Total	5984	708832	357800	153	2339	2.56	59.79

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average		Pure Prem.
						Claim Cost	Claim Freq. (2)	
43 Craven County	2004	693	78693	8446	8	1056	1.15	12.19
	2005	918	98052	23114	18	1284	1.96	25.18
	2006	1143	116201	35463	27	1313	2.36	31.03
	Total	2754	292946	67023	53	1265	1.92	24.34
47 Wayne County	2004	573	66538	21616	8	2702	1.40	37.72
	2005	648	73049	22610	18	1256	2.78	34.89
	2006	753	74754	55023	18	3057	2.39	73.07
	Total	1974	214341	99249	44	2256	2.23	50.28
51 Mecklenburg County Remainder	2004	981	83519	35738	26	1375	2.65	36.43
	2005	1226	99282	4702	28	168	2.28	3.84
	2006	1687	142231	35703	29	1231	1.72	21.16
	Total	3894	325032	76143	83	917	2.13	19.55
52 Charlotte	2004	5896	513622	155113	100	1551	1.70	26.31
	2005	7304	648091	209817	152	1380	2.08	28.73
	2006	9044	832191	278297	185	1504	2.05	30.77
	Total	22244	1993904	643227	437	1472	1.96	28.92
Statewide Totals	2004	51285	5152031	1693175	1017	1665	1.98	33.02
	2005	63381	6236408	1949809	1248	1562	1.97	30.76
	2006	79535	7724186	2563549	1562	1641	1.96	32.23
	Total	194201	19112625	6206533	3827	1622	1.97	31.96

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	204	39886	67853	19	3571	9.31	332.61
	2005	236	48765	39812	31	1284	13.14	168.69
	2006	243	47815	31271	21	1489	8.64	128.69
	Total	683	136466	138936	71	1957	10.40	203.42
13 Durham	2004	354	84550	27980	33	848	9.32	79.04
	2005	365	93990	98111	37	2652	10.14	268.80
	2006	385	92910	86489	33	2621	8.57	224.65
	Total	1104	271450	212580	103	2064	9.33	192.55
14 Greensboro-Hamilton Lakes	2004	325	112928	115434	40	2886	12.31	355.18
	2005	332	105889	80041	33	2425	9.94	241.09
	2006	317	86025	44823	36	1245	11.36	141.40
	Total	974	304842	240298	109	2205	11.19	246.71
15 High Point	2004	130	49502	52777	21	2513	16.15	405.98
	2005	129	47302	29591	11	2690	8.53	229.39
	2006	126	35095	29724	5	5945	3.97	235.90
	Total	385	131899	112092	37	3030	9.61	291.15
16 Raleigh	2004	760	184734	115055	67	1717	8.82	151.39
	2005	828	214477	248913	83	2999	10.02	300.62
	2006	931	229890	178346	73	2443	7.84	191.56
	Total	2519	629101	542314	223	2432	8.85	215.29

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOR CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	278	60187	73249	29	2526	10.43	263.49
	2005	314	67449	47542	22	2161	7.01	151.41
	2006	344	73733	61126	31	1972	9.01	177.69
	Total	936	201369	181917	82	2219	8.76	194.36
18 Winston-Salem	2004	309	90891	58774	30	1959	9.71	190.21
	2005	370	120862	90181	35	2577	9.46	243.73
	2006	422	131669	61668	30	2056	7.11	146.13
	Total	1101	343422	210623	95	2217	8.63	191.30
24 Western Territories	2004	3646	722300	570060	223	2556	6.12	156.35
	2005	3563	754798	463924	239	1941	6.71	130.21
	2006	3687	747992	449736	230	1955	6.24	121.98
	Total	10896	2225090	1483720	692	2144	6.35	136.17
25 Gaston County	2004	278	77075	81791	27	3029	9.71	294.21
	2005	257	66122	30902	17	1818	6.61	120.24
	2006	279	65704	31645	18	1758	6.45	113.42
	Total	814	208901	144338	62	2328	7.62	177.32
26 Southern Territories	2004	1743	630135	436419	138	3162	7.92	250.38
	2005	1633	558834	412658	161	2563	9.86	252.70
	2006	1685	498889	233174	80	2915	4.75	138.38
	Total	5061	1687858	1082251	379	2856	7.49	213.84

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 72 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	731	147899	65874	42	1568	5.75	90.11
	2005	768	161745	126133	52	2426	6.77	164.24
	2006	776	162967	114288	64	1786	8.25	147.28
	Total	2275	472611	306295	158	1939	6.95	134.64
32 Guilford, Buncombe, etc.	2004	1016	227515	200727	91	2206	8.96	197.57
	2005	1078	254779	235522	93	2532	8.63	218.48
	2006	1173	257838	138584	83	1670	7.08	118.14
	Total	3267	740132	574833	267	2153	8.17	175.95
33 Eastern Territories	2004	2410	409721	329426	122	2700	5.06	136.69
	2005	2340	431346	209033	121	1728	5.17	89.33
	2006	2336	435015	246732	128	1928	5.48	105.62
	Total	7086	1276082	785191	371	2116	5.24	110.81
40 Fayetteville	2004	1140	321901	305894	118	2592	10.35	268.33
	2005	1169	340448	176120	125	1409	10.69	150.66
	2006	1190	324845	358059	127	2819	10.67	300.89
	Total	3499	987194	840073	370	2270	10.57	240.09
41 Onslow County	2004	518	144928	112888	37	3051	7.14	217.93
	2005	523	142746	93078	53	1756	10.13	177.97
	2006	556	146720	90253	50	1805	8.99	162.33
	Total	1597	434394	296219	140	2116	8.77	185.48

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOR CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 72 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	258	53991	37914	24	1580	9.30	146.95
	2005	286	61444	53296	26	2050	9.09	186.35
	2006	283	59676	44954	19	2366	6.71	158.85
	Total	827	175111	136164	69	1973	8.34	164.65
47 Wayne County	2004	261	54980	45453	19	2392	7.28	174.15
	2005	266	59369	25040	16	1565	6.02	94.14
	2006	271	59569	62363	25	2495	9.23	230.12
	Total	798	173918	132856	60	2214	7.52	166.49
51 Mecklenburg County Remainder	2004	161	67926	46079	26	1772	16.15	286.20
	2005	165	60917	56702	25	2268	15.15	343.65
	2006	216	68306	36338	21	1683	9.72	163.60
	Total	542	197149	138119	72	1918	13.28	254.83
52 Charlotte	2004	1236	555278	335483	156	2151	12.62	271.43
	2005	1208	500453	394192	161	2448	13.33	326.32
	2006	1330	475388	282778	125	2262	9.40	212.62
	Total	3774	1531119	1012453	442	2291	11.71	268.27
Statewide Totals	2004	15758	4036327	3079130	1262	2440	8.01	195.40
	2005	15830	4091735	2910791	1341	2171	8.47	183.88
	2006	16550	4000046	2581351	1199	2153	7.24	155.97
	Total	48138	12128108	8571272	3802	2254	7.90	178.06

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	1343	263856	158957	69	2304	5.14	118.36
	2005	1249	259843	122431	68	1800	5.44	98.02
	2006	1244	251370	179377	73	2457	5.87	144.19
	Total	3836	775069	460765	210	2194	5.47	120.12
13 Durham	2004	1747	398491	165199	85	1944	4.87	94.56
	2005	1677	402384	221240	93	2379	5.55	131.93
	2006	1613	376862	223526	89	2512	5.52	138.58
	Total	5037	1177737	609965	267	2285	5.30	121.10
14 Greensboro-Hamilton Lakes	2004	1432	338368	240217	96	2502	6.70	167.75
	2005	1343	337936	129581	68	1906	5.06	96.49
	2006	1288	310432	169956	69	2463	5.36	131.95
	Total	4063	986736	539754	233	2317	5.73	132.85
15 High Point	2004	405	98651	41974	21	1999	5.19	103.64
	2005	411	101237	46425	23	2018	5.60	112.96
	2006	420	101226	77855	26	2994	6.19	185.37
	Total	1236	301114	166254	70	2375	5.66	134.51
16 Raleigh	2004	5330	1161175	686557	248	2768	4.65	128.81
	2005	5107	1155845	540195	233	2318	4.56	105.78
	2006	4941	1058965	711814	272	2617	5.50	144.06
	Total	15378	3375985	1938566	753	2574	4.90	126.06

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average		Pure Prem.
						Claim Cost	Claim Freq. (2)	
17 Wilmington	2004	2451	516695	241415	120	2012	4.90	98.50
	2005	2362	515568	353990	115	3078	4.87	149.87
	2006	2287	480091	311620	112	2784	4.90	136.34
	Total	7100	1512354	907225	347	2614	4.89	127.78
18 Winston-Salem	2004	1515	296367	195372	80	2442	5.28	128.96
	2005	1404	282145	160381	69	2324	4.91	114.23
	2006	1348	263182	157189	71	2214	5.27	116.61
	Total	4267	841694	512942	220	2332	5.16	120.21
24 Western Territories	2004	14376	2970036	1563750	632	2474	4.40	108.78
	2005	13953	3055601	1499902	631	2377	4.52	107.50
	2006	13510	2865873	1470529	603	2439	4.46	108.85
	Total	41839	8891510	4534181	1866	2430	4.46	108.37
25 Gaston County	2004	1290	278931	142354	57	2497	4.42	110.35
	2005	1217	272545	146450	61	2401	5.01	120.34
	2006	1170	244830	102011	44	2318	3.76	87.19
	Total	3677	796306	390815	162	2412	4.41	106.29
26 Southern Territories	2004	3735	768106	439966	153	2876	4.10	117.80
	2005	3646	778717	384280	135	2847	3.70	105.40
	2006	3546	753087	467126	164	2848	4.62	131.73
	Total	10927	2299910	1291372	452	2857	4.14	118.18

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	2934	594097	323969	129	2511	4.40	110.42
	2005	2882	615916	412414	135	3055	4.68	143.10
	2006	2818	579143	263150	126	2088	4.47	93.38
	Total	8634	1789156	999533	390	2563	4.52	115.77
32 Guilford, Buncombe, etc.	2004	5382	1086790	577658	252	2292	4.68	107.33
	2005	5209	1110890	565216	225	2512	4.32	108.51
	2006	5085	1048645	480862	198	2429	3.89	94.56
	Total	15676	3246325	1623736	675	2406	4.31	103.58
33 Eastern Territories	2004	6216	1160397	576540	269	2143	4.33	92.75
	2005	6045	1193498	539451	244	2211	4.04	89.24
	2006	5842	1130448	654345	237	2761	4.06	112.01
	Total	18103	3484343	1770336	750	2360	4.14	97.79
40 Fayetteville	2004	2938	742957	425330	178	2389	6.06	144.77
	2005	2741	698991	318239	137	2323	5.00	116.10
	2006	2605	641348	405487	138	2938	5.30	155.66
	Total	8284	2083296	1149056	453	2537	5.47	138.71
41 Onslow County	2004	1439	386598	160653	68	2363	4.73	111.64
	2005	1344	351039	139383	75	1858	5.58	103.71
	2006	1287	312418	166622	69	2415	5.36	129.47
	Total	4070	1050055	466658	212	2201	5.21	114.66

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	COVERAGE 73	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average		Pure Prem.
							Claim Cost	Claim Freq. (2)	
43 Craven County		2004	1272	231313	82466	60	1374	4.72	64.83
		2005	1208	231946	77403	51	1518	4.22	64.08
		2006	1185	217285	149201	52	2869	4.39	125.91
		Total	3665	680544	309070	163	1896	4.45	84.33
47 Wayne County		2004	582	113290	47987	27	1777	4.64	82.45
		2005	569	113707	30986	19	1631	3.34	54.46
		2006	532	106972	57886	25	2315	4.70	108.81
		Total	1683	333969	136859	71	1928	4.22	81.32
51 Mecklenburg County Remainder		2004	744	164286	10024	43	2326	5.78	134.44
		2005	735	170423	77600	36	2156	4.90	105.58
		2006	754	169785	131982	40	3300	5.31	175.04
		Total	2233	504494	309606	119	2602	5.33	138.65
52 Charlotte		2004	5374	1291899	804803	303	2656	5.64	149.76
		2005	5224	1312965	599953	290	2069	5.55	114.85
		2006	5020	1232044	684734	299	2290	5.96	136.40
		Total	15618	3836908	2089490	892	2342	5.71	133.79
Statewide Totals		2004	60505	12862303	6975191	2890	2414	4.78	115.28
		2005	58326	12961196	6365520	2708	2351	4.64	109.14
		2006	56495	12144006	6865472	2707	2536	4.79	121.52
		Total	175326	37967505	20206183	8305	2433	4.74	115.25

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	6017	1110694	710617	340	2090	5.65	118.10
	2005	5664	1117547	715328	351	2038	6.20	126.29
	2006	5441	1045258	573742	266	2157	4.89	105.45
	Total	17122	3273499	1999687	957	2090	5.59	116.79
13 Durham	2004	9470	2190708	1272328	596	2135	6.29	134.35
	2005	8832	2180354	1148971	542	2120	6.14	130.09
	2006	8344	2011767	1005340	469	2144	5.62	120.49
	Total	26646	6382829	3426639	1607	2132	6.03	128.60
14 Greensboro-Hamilton Lakes	2004	7846	1696278	783812	433	1810	5.52	99.90
	2005	7353	1689432	840689	377	2230	5.13	114.33
	2006	6981	1577974	898525	424	2119	6.07	128.71
	Total	22180	4963684	2523026	1234	2045	5.56	113.75
15 High Point	2004	2875	568535	278091	145	1918	5.04	96.73
	2005	2707	576959	231856	133	1743	4.91	85.65
	2006	2554	546253	271384	122	2224	4.78	106.26
	Total	8136	1691747	781331	400	1953	4.92	96.03
16 Raleigh	2004	21278	4599661	2674738	1129	2369	5.31	125.70
	2005	20338	4642230	2481858	1089	2279	5.35	122.03
	2006	19669	4359022	2313480	1007	2297	5.12	117.62
	Total	61285	13600913	7470076	3225	2316	5.26	121.89

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	8133	1610481	1011615	447	2263	5.50	124.38
	2005	7908	1680611	1151141	413	2787	5.22	145.57
	2006	7620	1605223	900956	384	2346	5.04	118.24
	Total	23661	4896315	3063712	1244	2463	5.26	129.48
18 Winston-Salem	2004	10420	1978902	1106635	556	1990	5.34	106.20
	2005	9827	1972290	1086238	546	1989	5.56	110.54
	2006	9339	1847061	1101607	497	2217	5.32	117.96
	Total	29586	5798253	3294480	1599	2060	5.40	111.35
24 Western Territories	2004	109222	20404626	10804050	4658	2319	4.26	98.92
	2005	103165	20690871	9698393	4206	2306	4.08	94.01
	2006	97513	19074358	10076756	4124	2443	4.23	103.34
	Total	309900	60169855	30579199	12988	2354	4.19	98.67
25 Gaston County	2004	9724	1977070	1073856	438	2452	4.50	110.43
	2005	9224	2023866	978381	414	2363	4.49	106.07
	2006	8740	1853603	1033890	430	2404	4.92	118.29
	Total	27688	5854539	3086127	1282	2407	4.63	111.46
26 Southern Territories	2004	23831	4982004	2435886	998	2441	4.19	102.22
	2005	22600	4979380	2146770	914	2349	4.04	94.99
	2006	21441	4620787	2289503	885	2587	4.13	106.78
	Total	67872	14582171	6872159	2797	2457	4.12	101.25

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 74 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	1981	3998316	2310868	974	2373	4.87	115.65
	2005	19219	4036383	2432123	988	2462	5.14	126.55
	2006	18369	3767769	2120992	894	2372	4.87	115.47
	Total	57569	11802468	6863983	2856	2403	4.96	119.23
32 Guilford, Buncombe, etc.	2004	40720	7501070	4273658	1922	2224	4.72	104.95
	2005	38559	7598079	3837875	1769	2170	4.59	99.53
	2006	36673	7057870	3849642	1748	2202	4.77	104.97
	Total	115952	22157019	11961175	5439	2199	4.69	103.16
33 Eastern Territories	2004	67297	13147486	7137788	3036	2351	4.51	106.06
	2005	63978	13084654	6248206	2834	2205	4.43	97.66
	2006	60738	12142619	6434808	2585	2489	4.26	105.94
	Total	192013	38374759	19820802	8455	2344	4.40	103.23
40 Fayetteville	2004	10998	2809189	1673499	700	2391	6.36	152.16
	2005	10491	2801754	1346119	660	2040	6.29	128.31
	2006	10016	2621927	1445359	633	2283	6.32	144.31
	Total	31505	8232870	4464977	1993	2240	6.33	141.72
41 Onslow County	2004	5259	1362834	758738	267	2842	5.08	144.27
	2005	4993	1342470	549994	260	2115	5.21	110.15
	2006	4855	1232629	618030	259	2386	5.33	127.30
	Total	15107	3937933	1926762	786	2451	5.20	127.54

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 74 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	4974	925820	593662	241	2463	4.85	119.35
	2005	4765	941844	505413	213	2373	4.47	106.07
	2006	4527	871435	489506	236	2074	5.21	108.13
	Total	14266	2739099	1588581	690	2302	4.84	111.35
47 Wayne County	2004	4411	858536	419539	199	2108	4.51	95.11
	2005	4132	859530	439153	192	2287	4.65	106.28
	2006	3978	805174	443146	201	2205	5.05	111.40
	Total	12521	2523240	1301838	592	2199	4.73	103.97
51 Mecklenburg County Remainder	2004	2203	477797	235304	105	2241	4.77	106.81
	2005	2190	494398	326044	130	2508	5.94	148.88
	2006	2378	527076	278132	144	1931	6.06	116.96
	Total	6771	1499271	839480	379	2215	5.60	123.98
52 Charlotte	2004	18236	4204317	2652788	1177	2254	6.45	145.47
	2005	17499	4315801	2667535	1128	2365	6.45	152.44
	2006	16946	4105010	2758716	1159	2380	6.84	162.79
	Total	52681	12625128	8079039	3464	2332	6.58	153.36
Statewide Totals	2004	382895	76404324	42207472	18361	2299	4.80	110.23
	2005	363444	77028453	38832087	17159	2263	4.72	106.84
	2006	346122	71672815	38903514	16467	2363	4.76	112.40
	Total	1092461	225105592	119943073	51987	2307	4.76	109.79

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOP CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	31999	7488231	4383863	1884	2327	5.89	137.00
	2005	32148	7983219	4536099	1888	2403	5.87	141.10
	2006	32445	7760824	4459541	1890	2360	5.83	137.45
	Total	96592	23232274	13379503	5662	2363	5.86	138.52
13 Durham	2004	39496	10718888	6178619	2495	2476	6.32	156.44
	2005	38111	10734333	5601858	2413	2322	6.33	146.99
	2006	36746	10095538	5284118	2171	2434	5.91	143.80
	Total	114353	31548759	17064595	7079	2411	6.19	149.23
14 Greensboro-Hamilton Lakes	2004	44779	11704347	6521127	2780	2346	6.21	145.63
	2005	43035	11644173	5922089	2574	2301	5.98	137.61
	2006	41430	10862473	5891645	2430	2425	5.87	142.21
	Total	129244	34210993	18334861	7784	2355	6.02	141.86
15 High Point	2004	15160	3908449	2405873	963	2498	6.35	158.70
	2005	14755	3865247	1998395	865	2310	5.86	135.44
	2006	14234	3602603	1821903	788	2312	5.54	128.00
	Total	44149	11376299	6226171	2616	2380	5.93	141.03
16 Raleigh	2004	106797	27129099	15510835	5876	2640	5.50	145.24
	2005	105643	27858789	14985804	5862	2556	5.55	141.85
	2006	104900	26804900	14346071	5387	2663	5.14	136.76
	Total	317340	81792788	44842710	17125	2619	5.40	141.31

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	34753	7967145	5101556	1807	2823	5.20	146.79
	2005	34949	8351938	4548431	1722	2641	4.93	130.14
	2006	34651	8066553	4492707	1655	2715	4.78	129.66
	Total	104353	24385636	14142694	5184	2728	4.97	135.53
18 Winston-Salem	2004	46300	10971310	5945366	2727	2180	5.89	128.41
	2005	45109	11151373	6225393	2724	2285	6.04	138.01
	2006	44857	10674241	5919560	2518	2351	5.61	131.97
	Total	136266	32796924	18090319	7969	2270	5.85	132.76
24 Western Territories	2004	576953	130407436	71644358	27708	2586	4.80	124.18
	2005	570155	135450769	69814838	26155	2669	4.59	122.45
	2006	558953	127892128	70533404	25655	2749	4.59	126.19
	Total	1706061	393750333	211992600	79518	2666	4.66	124.26
25 Gaston County	2004	39033	9979129	5612830	2113	2656	5.41	143.80
	2005	38546	10392789	5432702	2046	2655	5.31	140.94
	2006	38129	9756725	5774668	2042	2828	5.36	151.45
	Total	115708	30128643	16820200	6201	2712	5.36	145.37
26 Southern Territories	2004	123740	32520549	16975167	6216	2731	5.02	137.18
	2005	123303	33207517	15698151	5815	2700	4.72	127.31
	2006	122058	31551184	16657913	5676	2935	4.65	136.48
	Total	369101	97279250	49331231	17707	2786	4.80	133.65

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	89552	22401961	12249121	4918	2491	5.49	136.78
	2005	90648	23329877	13152867	4967	2648	5.48	145.10
	2006	90080	22171743	12311798	4617	2667	5.13	136.68
	Total	270280	67903581	37713786	14502	2601	5.37	139.54
32 Guilford, Buncombe, etc.	2004	202464	46363794	25997261	10309	2522	5.09	128.40
	2005	200993	48199958	24851921	9812	2533	4.88	123.65
	2006	199330	45906568	25506515	9702	2629	4.87	127.96
	Total	602787	140470320	76355697	29823	2560	4.95	126.67
33 Eastern Territories	2004	230031	57776429	31210530	12200	2558	5.30	135.68
	2005	230329	59330800	30883604	11912	2593	5.17	134.08
	2006	228666	56411280	29948384	11254	2661	4.92	130.97
	Total	689026	173518509	92042518	35366	2603	5.13	133.58
40 Fayetteville	2004	50052	15431340	8087648	3265	2477	6.52	161.58
	2005	48150	15192542	7654739	3146	2433	6.53	158.98
	2006	47066	14130214	7745906	2980	2599	6.33	164.58
	Total	145268	44754096	23488293	9391	2501	6.46	161.69
41 Onslow County	2004	22788	6905282	2842574	1114	2552	4.89	124.74
	2005	22287	6787488	2928441	1126	2601	5.05	131.40
	2006	21819	6178136	2644329	997	2652	4.57	121.19
	Total	66894	19870906	8415344	3237	2600	4.84	125.80

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NOP CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	23641	5518012	3209346	1177	2727	4.98	135.75
	2005	23879	5752193	3081061	1204	2559	5.04	129.03
	2006	23743	5580428	3191921	1181	2703	4.97	134.44
	Total	71263	16850633	9482328	3562	2662	5.00	133.06
47 Wayne County	2004	25688	6486930	3196948	1338	2389	5.21	124.45
	2005	25470	6579464	3280295	1282	2559	5.03	128.79
	2006	25193	6213725	3239809	1224	2647	4.86	128.60
	Total	76351	19280119	9717052	3844	2528	5.03	127.27
51 Mecklenburg County Remainder	2004	16640	4193104	2375097	957	2482	5.75	142.73
	2005	16929	4415087	2647459	978	2707	5.78	156.39
	2006	18819	4775671	2770888	1044	2654	5.55	147.24
	Total	52388	13383862	7793444	2979	2616	5.69	148.76
52 Charlotte	2004	126983	35940532	20559226	8537	2408	6.72	161.91
	2005	125199	36726820	20728533	8229	2519	6.57	165.56
	2006	122611	34794925	21031627	8128	2588	6.63	171.53
	Total	374793	107462277	62319386	24894	2503	6.64	166.28
Statewide Totals	2004	1846849	453811967	250007345	98384	2541	5.33	135.37
	2005	1829638	466954376	243972680	94720	2576	5.18	133.34
	2006	1805730	443229859	243572707	91339	2667	5.06	134.89
	Total	5482217	1363996202	737552732	284443	2593	5.19	134.54

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	26894	6881533	3784038	1249	3030	4.64	140.70
	2005	29190	7776579	4453297	1437	3099	4.92	152.56
	2006	31505	8213750	4705793	1499	3139	4.76	149.37
	Total	87589	22871862	12943128	4185	3093	4.78	147.77
13 Durham	2004	36240	11514797	5987798	2117	2828	5.84	165.23
	2005	38298	12471452	6162464	2139	2881	5.59	160.91
	2006	40812	12844764	6701099	2197	3050	5.38	164.19
	Total	115350	36831013	18851361	6453	2921	5.59	163.43
14 Greensboro-Hamilton Lakes	2004	45413	14219495	6676835	2510	2660	5.53	147.02
	2005	47142	15022926	7147325	2497	2862	5.30	151.61
	2006	49638	15088208	7678472	2593	2961	5.22	154.69
	Total	142193	44330629	21502632	7600	2829	5.34	151.22
15 High Point	2004	13991	4108613	2104722	782	2691	5.59	150.43
	2005	14666	4353041	1894332	719	2635	4.90	129.16
	2006	15514	4391772	2294067	727	3156	4.69	147.87
	Total	44171	128553426	6293121	2228	2825	5.04	142.47
16 Raleigh	2004	127986	37580473	20032238	6394	3133	5.00	156.52
	2005	138209	41561630	20533565	6758	3038	4.89	148.57
	2006	150780	43788184	22671701	7027	3226	4.66	150.36
	Total	416975	122930287	63237504	20179	3134	4.84	151.66

Notes:

- (1) Not under fleet plan.
- (2) Claim frequency is per 100 cars.

NOF CAROLINA
 AUTOMOBILE PHYS. DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	47140	12908247	7448548	2394	3111	5.08	158.01
	2005	52066	14854009	8628687	2658	3246	5.11	165.73
	2006	56575	15673537	9303249	2720	3420	4.81	164.44
	Total	155781	43435793	25380484	7772	3266	4.99	162.92
18 Winston-Salem	2004	41482	11230072	5847835	2131	2744	5.14	140.97
	2005	43681	12155430	5923532	2245	2639	5.14	135.61
	2006	46495	12515433	6776760	2277	2976	4.90	145.75
	Total	131658	35900935	18548127	6653	2788	5.05	140.88
24 Western Territories	2004	463893	121345047	65326244	20323	3214	4.38	140.82
	2005	496337	134659460	68195025	21050	3240	4.24	137.40
	2006	531967	138740143	76886063	22868	3362	4.30	144.53
	Total	1492197	394744650	210407332	64241	3275	4.31	141.01
25 Gaston County	2004	33033	9946553	4789739	1648	2906	4.99	145.00
	2005	35042	10856404	5504503	1746	3153	4.98	157.08
	2006	37703	11019664	5869495	1771	3314	4.70	155.68
	Total	105778	31822621	16163737	5165	3129	4.88	152.81
26 Southern Territories	2004	102304	31081072	17172467	5048	3402	4.93	167.86
	2005	112523	34531874	18572963	5555	3343	4.94	165.06
	2006	123496	36067801	20129310	5786	3479	4.69	163.00
	Total	338323	101680747	55874740	16389	3409	4.84	165.15

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

COVERAGE 77 Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	85989	22824679	12485598	3869	3227	4.50	145.20
	2005	94137	25419698	13391205	4303	3112	4.57	142.25
	2006	103363	26992381	14990985	4415	3395	4.27	145.03
	Total	283489	75236758	40867788	12587	3247	4.44	144.16
32 Guilford, Buncombe, etc.	2004	158581	41233208	21752098	7104	3062	4.48	137.17
	2005	170446	46106821	22784207	7244	3145	4.25	133.67
	2006	183930	47726795	24912063	7742	3218	4.21	135.44
	Total	512957	135066824	69448368	22090	3144	4.31	135.39
33 Eastern Territories	2004	137273	37707462	20848546	6412	3251	4.67	151.88
	2005	147472	41375102	22227720	6747	3294	4.58	150.73
	2006	159867	43195862	23856167	7076	3371	4.43	149.23
	Total	444612	122278426	66932433	20235	3308	4.55	150.54
40 Fayetteville	2004	57760	23462873	13213658	3983	3318	6.90	228.77
	2005	60212	23912340	12865048	3874	3321	6.43	213.66
	2006	64669	24028799	14582589	4187	3483	6.47	225.50
	Total	182641	71404012	40661295	12044	3376	6.59	222.63
41 Onslow County	2004	35990	17502604	8341904	2448	3408	6.80	231.78
	2005	38082	17109490	9089063	2609	3484	6.85	238.67
	2006	42555	17718680	9799899	2631	3725	6.18	230.29
	Total	116627	52330774	27230866	7688	3542	6.59	233.49

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	18497	5813047	3252699	929	3501	5.02	175.85
	2005	19679	5931523	2863856	919	3116	4.67	145.53
	2006	21310	6112097	3469874	967	3588	4.54	162.83
	Total	59486	17856667	9586429	2815	3405	4.73	161.15
47 Wayne County	2004	20711	6135333	3082072	1022	3016	4.93	148.81
	2005	21812	6511544	3316054	1020	3251	4.68	152.03
	2006	22874	6421193	3257336	983	3314	4.30	142.40
	Total	65397	19068070	9655462	3025	3192	4.63	147.64
51 Mecklenburg County Remainder	2004	23315	6500722	3273362	1091	3000	4.68	140.40
	2005	25791	7325048	4261614	1267	3364	4.91	165.24
	2006	31032	8800336	4713470	1477	3191	4.76	151.89
	Total	80138	22626106	12248446	3835	3194	4.79	152.84
52 Charlotte	2004	154834	50628792	26811785	9320	2877	6.02	173.16
	2005	166241	55738328	28870997	9818	2941	5.91	173.67
	2006	177699	57574889	30674344	10153	3021	5.71	172.62
	Total	498774	163942009	86357126	29291	2948	5.87	173.14
Statewide Totals	2004	1631326	472624622	252232186	80774	3123	4.95	154.62
	2005	1751026	517672699	266685457	84605	3152	4.83	152.30
	2006	1891784	536914288	293272736	89096	3292	4.71	155.02
	Total	5274136	1527211609	812190379	254475	3192	4.82	153.99

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
11 Asheville	2004	2048	500743	236275	57	4145	2.78	115.37
	2005	2414	597775	252393	68	3712	2.82	104.55
	2006	2925	688356	401202	91	4409	3.11	137.16
	Total	7387	1786874	889870	216	4120	2.92	120.46
13 Durham	2004	2931	854223	442783	97	4565	3.31	151.07
	2005	3371	963497	379966	119	3193	3.53	112.72
	2006	4029	1115296	457598	118	3878	2.93	113.58
	Total	10331	2933016	1280347	334	3833	3.23	123.93
14 Greensboro-Hamilton Lakes	2004	3163	888641	336473	100	3365	3.16	106.38
	2005	3630	1038272	570463	137	4164	3.77	157.15
	2006	4181	1143766	494939	114	4342	2.73	118.38
	Total	10974	3070679	1401875	351	3994	3.20	127.75
15 High Point	2004	834	224462	141691	27	5248	3.24	169.89
	2005	939	258458	109461	29	3775	3.09	116.57
	2006	1151	298147	131071	35	3745	3.04	113.88
	Total	2924	781067	382223	91	4200	3.11	130.72
16 Raleigh	2004	11045	2952096	1319522	348	3792	3.15	119.47
	2005	13300	3513372	1887074	427	4419	3.21	141.89
	2006	15788	3917615	1796137	443	4054	2.81	113.77
	Total	40133	10383083	5002733	1218	4107	3.03	124.65

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
17 Wilmington	2004	4064	1021452	596183	147	4056	3.62	146.70
	2005	4791	1226067	669643	154	4348	3.21	139.77
	2006	5632	1375768	683686	165	4144	2.93	121.39
	Total	14487	3623287	1949512	466	4184	3.22	134.57
18 Winston-Salem	2004	2780	666417	399384	75	5325	2.70	143.66
	2005	3187	777899	401289	89	4509	2.79	125.91
	2006	3756	873417	537993	124	4339	3.30	143.24
	Total	9723	2317733	1338666	288	4648	2.96	137.68
24 Western Territories	2004	30440	7724498	3991421	923	4324	3.03	131.12
	2005	35283	9116626	4370351	1022	4276	2.90	123.87
	2006	40911	10095545	5237009	1128	4643	2.76	128.01
	Total	106634	26936669	13598781	3073	4425	2.88	127.53
25 Gaston County	2004	1677	482928	201532	56	3599	3.34	120.17
	2005	1939	558729	213489	52	4106	2.68	110.10
	2006	2269	601990	415892	81	5134	3.57	183.29
	Total	5885	1643647	830913	189	4396	3.21	141.19
26 Southern Territories	2004	5742	1586440	771251	195	3955	3.40	134.32
	2005	6828	1834647	981226	240	4088	3.51	143.71
	2006	8209	2110548	968854	223	4345	2.72	118.02
	Total	20779	5531635	2721331	658	4136	3.17	130.97

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

NORTH CAROLINA
 AUTOMOBILE PHYSICIAN DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
31 Wilson, Rocky Mount, etc.	2004	6768	1689301	977837	210	4656	3.10	144.48
	2005	8060	2007590	944712	226	4180	2.80	117.21
	2006	9627	2249820	1378960	274	5033	2.85	143.24
	Total	24455	5946711	3301509	710	4650	2.90	135.00
32 Guilford, Buncombe, etc.	2004	9630	2347902	1169223	270	4330	2.80	121.41
	2005	11333	2783830	1358843	317	4287	2.80	119.90
	2006	13300	3097597	1529444	366	4179	2.75	115.00
	Total	34263	8229329	4057510	953	4258	2.78	118.42
33 Eastern Territories	2004	8126	2064882	908654	246	3694	3.03	111.82
	2005	9583	2423552	1577030	322	4898	3.36	164.57
	2006	11258	2751215	1315780	272	4837	2.42	116.88
	Total	28967	7239649	3801464	840	4526	2.90	131.23
40 Fayetteville	2004	3172	1219871	668054	165	4049	5.20	210.61
	2005	3499	1287240	592066	148	4000	4.23	169.21
	2006	4264	1504738	859720	177	4857	4.15	201.62
	Total	10935	4011849	2119840	490	4326	4.48	193.86
41 Onslow County	2004	1925	966801	441850	89	4965	4.62	229.53
	2005	2426	1117839	682749	141	4842	5.81	281.43
	2006	3289	1378530	871404	178	4896	5.41	264.94
	Total	7640	3463170	1996003	408	4892	5.34	261.26

Notes:
 (1) Not under fleet plan.
 (2) Claim frequency is per 100 cars.

AUTOMOBILE PHYSICAL DAMAGE EXPERIENCE (1)
 PRIVATE PASSENGER NON-FLEET VOLUNTARY AND CONSENT TO RATE BUSINESS

Territory	Accident Year	Earned Car Years	Collected Earned Premium	Paid Loss	Claims	Average Claim Cost	Claim Freq. (2)	Pure Prem.
43 Craven County	2004	1165	349768	190153	40	4754	3.43	163.22
	2005	1409	412177	208444	49	4254	3.48	147.94
	2006	1691	474709	238739	53	4505	3.13	141.18
	Total	4265	1236654	637336	142	4488	3.33	149.43
47 Wayne County	2004	1078	318356	180877	35	5168	3.25	167.79
	2005	1161	340197	116585	40	2915	3.45	100.42
	2006	1342	352299	157462	41	3841	3.06	117.33
	Total	3581	1010852	454924	116	3922	3.24	127.04
51 Mecklenburg County Remainder	2004	2135	592663	259490	70	3707	3.28	121.54
	2005	2644	730506	440939	90	4899	3.40	166.77
	2006	3442	934121	532061	114	4667	3.31	154.58
	Total	8221	2257290	1232490	274	4498	3.33	149.92
52 Charlotte	2004	12198	3662487	1752619	417	4203	3.42	143.68
	2005	14434	4412594	2171582	537	4044	3.72	150.45
	2006	16821	4932161	2484194	602	4127	3.58	147.68
	Total	43453	13007242	6408395	1556	4119	3.58	147.48
Statewide Totals	2004	110921	30113931	14985272	3567	4201	3.22	135.10
	2005	130231	35400867	17928305	4207	4262	3.23	137.67
	2006	153885	39895638	20492145	4599	4456	2.99	133.17
	Total	395037	105410436	53405722	12373	4316	3.13	135.19

Notes:

(1) Not under fleet plan.

(2) Claim frequency is per 100 cars.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

See attached exhibits, Section D and prefiled testimony of P. Woods and M. Miller.

Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate level in the determination of accident year weights.
- 2) territory rate level in the determination of the individual territory's formula loss ratio.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Uninsured Motorists and Underinsured Motorists, each year of the experience period is given weight proportional to its earned car years in the calculation of an indicated premium per exposure.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.

CREDIBILITY TABLES BASED
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS
 - 3(a) Loss development factor derivation is contained on the following pages H-376-449. In selecting the loss development factor, three and five year straight averages were considered, with the three year factor being selected as the best blend of responsiveness and stability for Bodily Injury, Property Damage and Medical Payments. For basic and total limits incurred Bodily Injury, the three year average for 2002, 2004, and 2005 was used to determine the 15-27 month link ratio. For Uninsured Motorists Bodily Injury, Uninsured Motorists Property Damage and Underinsured Motorists, the average of the latest five years was selected for increased stability.

Development for all coverages is to 63 months.

Additional information regarding loss development is contained in the prefiled testimony of P. Woods and M. Miller.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>	<u>UNINSURED MOTORISTS B.I.</u>	<u>UNDERINSURED MOTORISTS B.I.</u>
2002	5,930,356	5,930,356	4,432,231	5,633,838	3,503,850
2003	6,044,390	6,044,390	4,510,582	5,742,171	3,598,514
2004	6,216,885	6,216,885	4,675,148	5,906,041	3,835,590
2005	6,408,505	6,408,505	4,821,036	6,088,080	3,953,813
2006	6,552,881	6,552,881	4,946,726	6,225,237	4,042,887

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>	<u>UNINSURED MOTORISTS B.I.</u>	<u>UNDERINSURED MOTORISTS B.I.</u>
2002	904,712,755	863,619,934	106,222,665	110,802,382	53,731,013
2003	949,074,847	963,162,094	116,325,170	96,543,121	51,820,790
2004	1,001,328,224	944,532,385	127,128,014	98,876,576	59,122,882
2005	1,057,983,833	980,830,670	135,222,322	103,497,360	60,983,991
2006	1,064,545,525	1,011,224,366	132,276,587	105,829,029	64,840,505

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					535,813,299
1994				553,835,285	575,785,047
1995			519,919,728	571,835,213	592,222,495
1996		426,029,526	517,700,097	572,219,289	595,630,897
1997	229,644,143	431,616,003	522,274,331	575,363,333	598,211,754
1998	228,601,621	419,173,460	509,047,219	560,022,842	584,627,204
1999	231,875,451	430,590,663	526,829,968	580,273,861	606,476,653
2000	238,267,007	437,442,957	529,910,268	585,820,489	610,400,096
2001	229,462,179	436,717,674	533,389,591	592,028,458	616,280,688
2002	246,948,525	462,762,209	567,363,065	626,151,877	648,832,874
2003	254,756,938	492,397,536	598,800,404	663,593,397	
2004	266,628,448	503,870,232	634,817,214		
2005	282,695,085	517,876,348			
2006	292,730,189				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.040
1995			1.100	1.036
1996		1.215	1.105	1.041
1997	1.879	1.210	1.102	1.040
1998	1.834	1.214	1.100	1.044
1999	1.857	1.224	1.101	1.045
2000	1.836	1.211	1.106	1.042
2001	1.903	1.221	1.110	1.041
2002	1.874	1.226	1.104	1.036
2003	1.933	1.216	1.108	
2004	1.890	1.260		
2005	1.832			
Five Year Average	1.886	1.227	1.106	1.042
Three Year Average	1.885	1.234	1.107	1.040
		Five Year	Three Year	
39 to 63 months:		1.152	1.151	
27 to 63 months:		1.414	1.420	
15 to 63 months:		2.667	2.677	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Property Damage Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					297,338,063
1994				345,687,706	345,929,741
1995			391,482,358	392,231,532	392,500,763
1996		438,350,488	441,000,989	442,165,389	442,374,585
1997	431,213,377	446,053,289	448,742,218	449,706,036	449,941,321
1998	443,376,912	459,294,282	462,141,524	463,004,806	463,273,676
1999	473,099,750	491,607,819	495,153,281	496,272,202	496,169,911
2000	496,862,761	518,966,482	518,878,432	519,743,391	519,978,486
2001	493,946,588	513,666,485	516,084,363	517,052,035	517,362,688
2002	509,903,937	529,448,599	532,558,761	534,150,312	534,267,857
2003	528,534,090	549,681,580	552,343,563	552,381,115	
2004	532,021,733	553,414,856	563,658,846		
2005	552,358,659	574,591,781			
2006	575,788,091				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.006	1.003	1.000
1997	1.034	1.006	1.002	1.001
1998	1.036	1.006	1.002	1.001
1999	1.039	1.007	1.002	1.000
2000	1.044	1.000	1.002	1.000
2001	1.040	1.005	1.002	1.001
2002	1.038	1.006	1.003	1.000
2003	1.040	1.005	1.000	
2004	1.040	1.019		
2005	1.040			

Five Year Average	1.040	1.007	1.002	1.000
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Three Year Average	1.040	1.010	1.002	1.000
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Five Year Three Year

39 to 63 months:	1.002	1.002
27 to 63 months:	1.009	1.012
15 to 63 months:	1.049	1.052

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined					
	Medical Payments Total Limits Paid Losses as of					
	Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
	1993					75,037,868
	1994				78,926,420	79,169,009
	1995			81,939,737	82,850,110	83,099,064
	1996		79,099,984	81,252,411	82,270,818	82,662,642
	1997	64,233,803	77,624,152	80,362,354	81,475,584	81,744,979
	1998	61,315,057	74,200,833	76,699,175	77,650,349	77,955,069
	1999	61,899,560	75,847,264	78,196,726	79,445,330	79,605,727
	2000	63,973,747	76,775,187	79,442,173	80,684,010	80,857,818
	2001	66,363,192	79,778,901	82,743,631	83,774,120	84,093,567
	2002	72,832,848	86,945,509	90,039,406	91,146,242	91,367,436
	2003	73,605,060	89,033,077	91,288,309	92,448,238	
	2004	73,160,155	87,355,286	90,425,663		
	2005	74,020,498	87,050,643			
	2006	76,749,927				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.003
1995			1.011	1.003
1996		1.027	1.013	1.005
1997	1.208	1.035	1.014	1.003
1998	1.210	1.034	1.012	1.004
1999	1.225	1.031	1.016	1.002
2000	1.200	1.035	1.016	1.002
2001	1.202	1.037	1.012	1.004
2002	1.194	1.036	1.012	1.002
2003	1.210	1.025	1.013	
2004	1.194	1.035		
2005	1.176			
Five Year Average	1.195	1.034	1.014	1.003
Three Year Average	1.193	1.032	1.012	1.003
		Five Year	Three Year	
39 to 63 months:		1.017	1.015	
27 to 63 months:		1.052	1.047	
15 to 63 months:		1.257	1.249	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					34,682,795
1994				31,408,576	33,021,225
1995			33,488,719	36,729,469	38,610,829
1996		29,727,826	34,895,996	38,366,007	40,340,691
1997	15,711,231	31,032,748	37,800,567	42,044,914	43,605,928
1998	15,460,187	28,571,696	35,077,519	37,419,593	38,622,016
1999	14,411,088	29,119,557	34,963,964	38,353,747	40,780,871
2000	15,307,626	29,445,056	35,433,440	38,409,507	39,907,933
2001	16,391,534	31,509,992	39,125,921	43,007,690	44,763,863
2002	18,611,285	35,811,567	43,619,176	47,540,736	49,799,801
2003	16,897,324	35,833,516	43,656,833	49,202,863	
2004	18,196,091	35,907,427	45,312,080		
2005	19,487,805	37,329,532			
2006	21,911,242				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.051
1995			1.097	1.051
1996		1.174	1.099	1.051
1997	1.975	1.218	1.112	1.037
1998	1.848	1.228	1.067	1.032
1999	2.021	1.201	1.097	1.063
2000	1.924	1.203	1.084	1.039
2001	1.922	1.242	1.099	1.041
2002	1.924	1.218	1.090	1.048
2003	2.121	1.218	1.127	
2004	1.973	1.262		
2005	1.916			
Five Year Average	1.971	1.229	1.099	1.045
Three Year Average	2.003	1.233	1.105	1.043
		Five Year	Three Year	
39 to 63 months:		1.148	1.153	
27 to 63 months:		1.411	1.422	
15 to 63 months:		2.781	2.848	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				10,000,513	10,015,035
1997			10,576,874	10,659,433	10,604,960
1998		10,805,538	10,973,478	10,965,486	10,932,473
1999	11,110,469	11,406,061	11,354,910	11,354,574	11,295,763
2000	11,756,849	11,791,007	11,714,702	11,592,006	11,514,259
2001	11,418,106	11,259,697	11,214,223	11,120,396	11,067,455
2002	12,000,534	11,865,571	11,734,580	11,623,561	11,639,919
2003	12,201,204	12,202,758	11,983,704	11,793,710	
2004	11,517,001	11,469,625	11,385,184		
2005	11,876,391	12,345,074			
2006	11,358,713				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				1.001
1997			1.008	0.995
1998		1.016	0.999	0.997
1999	1.027	0.996	1.000	0.995
2000	1.003	0.994	0.990	0.993
2001	0.986	0.996	0.992	0.995
2002	0.989	0.989	0.991	1.001
2003	1.000	0.982	0.984	
2004	0.996	0.993		
2005	1.039			
Five Year Average				
	1.002	0.991	0.991	0.996
Three Year Average				
	1.012	0.988	0.989	0.996
		Five Year	Three Year	
39 to 63 months:		0.987	0.985	
27 to 63 months:		0.978	0.973	
15 to 63 months:		0.980	0.985	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Underinsured Motorists Bodily Injury Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					41,690,436
1994				37,228,513	40,103,279
1995			29,662,777	34,937,500	38,436,320
1996		20,110,407	30,695,883	39,357,651	42,266,024
1997	5,502,906	18,294,015	28,862,559	35,318,597	38,241,927
1998	5,270,664	18,908,446	28,756,446	34,447,766	40,375,162
1999	7,301,092	23,451,006	32,689,236	39,597,955	42,735,859
2000	8,863,865	24,968,236	35,812,558	42,582,291	45,965,280
2001	8,556,615	24,575,537	37,214,206	44,631,262	48,465,077
2002	8,862,632	25,289,748	40,200,274	46,471,797	49,294,528
2003	7,223,658	26,086,718	38,631,041	46,647,289	
2004	11,003,834	33,989,639	48,380,267		
2005	11,314,275	33,648,408			
2006	14,427,960				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.077
1995			1.178	1.100
1996		1.526	1.282	1.074
1997	3.324	1.578	1.224	1.083
1998	3.587	1.521	1.198	1.172
1999	3.212	1.394	1.211	1.079
2000	2.817	1.434	1.189	1.079
2001	2.872	1.514	1.199	1.086
2002	2.854	1.590	1.156	1.061
2003	3.611	1.481	1.208	
2004	3.089	1.423		
2005	2.974			

Five Year Average	3.080	1.488	1.193	1.095
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Three Year Average	3.225	1.498	1.188	1.075
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	Five Year	Three Year
39 to 63 months:	1.306	1.277
27 to 63 months:	1.943	1.913
15 to 63 months:	5.984	6.169

Losses exclude unallocated loss adjustment expense.

The Rate Bureau is advised by ISO that the data described in Subparagraph (3)(c) are not available.

See attached Exhibit (3)(d).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-376.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					548,063,931
1994				590,820,124	587,515,438
1995			602,956,881	608,845,680	604,190,862
1996		595,465,814	606,937,587	607,877,793	607,527,453
1997	561,266,762	591,973,459	600,807,278	607,377,686	609,373,618
1998	535,782,655	571,090,594	585,827,205	594,262,071	595,538,970
1999	547,858,022	584,450,486	607,315,095	616,343,115	618,962,876
2000	528,771,428	584,171,819	607,343,649	619,331,394	621,691,752
2001	540,606,810	590,573,084	615,270,128	627,427,574	627,806,583
2002	568,917,216	626,297,432	650,597,403	662,372,926	660,826,093
2003	590,218,744	662,896,265	695,233,004	702,075,913	
2004	629,424,611	687,246,213	726,032,756		
2005	622,795,154	693,338,754			
2006	655,183,999				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			1.010	0.992
1996		1.019	1.002	0.999
1997	1.055	1.015	1.011	1.003
1998	1.066	1.026	1.014	1.002
1999	1.067	1.039	1.015	1.004
2000	1.105	1.040	1.020	1.004
2001	1.092	1.042	1.020	1.001
2002	1.101	1.039	1.018	0.998
2003	1.123	1.049	1.010	
2004	1.092	1.056		
2005	1.113			
Five Year Average	1.104	1.045	1.017	1.002
Three Year Average (a)	1.102	1.048	1.016	1.001

	Five Year	Three Year
39 to 63 months:	1.019	1.017
27 to 63 months:	1.065	1.066
15 to 63 months:	1.176	1.175

(a) The 15-27 month three year average is for 2002, 2004 and 2005.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Property Damage Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					297,635,265
1994				346,354,513	346,114,290
1995			392,719,031	392,780,992	392,734,006
1996		441,454,775	442,330,336	442,801,982	442,611,518
1997	445,134,254	449,027,076	450,122,589	450,323,753	450,139,184
1998	459,158,210	462,733,971	463,368,820	463,408,859	463,353,715
1999	491,215,772	495,074,602	496,620,194	496,760,747	496,603,613
2000	512,061,856	522,380,676	520,124,759	520,292,907	520,234,996
2001	509,607,662	516,507,961	517,508,923	517,801,842	517,592,358
2002	523,908,951	532,151,212	533,775,479	534,777,466	534,427,287
2003	542,796,004	551,748,287	553,314,103	552,864,078	
2004	545,709,696	555,915,798	564,500,217		
2005	564,664,269	576,768,472			
2006	589,948,039				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		1.002	1.001	1.000
1997	1.009	1.002	1.000	1.000
1998	1.008	1.001	1.000	1.000
1999	1.008	1.003	1.000	1.000
2000	1.020	0.996	1.000	1.000
2001	1.014	1.002	1.001	1.000
2002	1.016	1.003	1.002	0.999
2003	1.016	1.003	0.999	
2004	1.019	1.015		
2005	1.021			

Five Year Average	1.017	1.004	1.000	1.000
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Three Year Average	1.019	1.007	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.000	1.001
27 to 63 months:	1.004	1.008
15 to 63 months:	1.021	1.027

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers Voluntary and Ceded Combined

Medical Payments Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					75,141,528
1994				79,141,305	79,248,603
1995			82,590,616	83,077,081	83,224,393
1996		81,079,429	81,935,144	82,511,325	82,792,510
1997	76,476,955	79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	84,208,944
2002	84,407,330	89,375,713	90,811,468	91,440,492	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	
2004	85,271,787	89,295,154	91,165,945		
2005	84,730,224	89,100,195			
2006	91,005,311				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.002
1996		1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	1.000
2003	1.070	1.006	1.008	
2004	1.047	1.021		
2005	1.052			
Five Year Average	1.058	1.016	1.008	1.003
Three Year Average	1.056	1.014	1.007	1.000

Five Year Three Year

39 to 63 months:	1.011	1.007
27 to 63 months:	1.027	1.021
15 to 63 months:	1.087	1.078

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					35,559,090
1994				34,833,162	33,870,375
1995			40,854,300	40,454,519	40,244,972
1996		41,632,388	42,233,897	42,138,160	41,897,880
1997	37,442,193	41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	50,666,563
2003	42,683,852	48,534,844	50,786,129	52,305,914	
2004	44,012,059	48,971,187	51,836,511		
2005	43,302,325	49,506,298			
2006	46,363,207				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.972
1995			0.990	0.995
1996		1.014	0.998	0.994
1997	1.108	1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	1.009
2003	1.137	1.046	1.030	
2004	1.113	1.059		
2005	1.143			
Five Year Average	1.149	1.049	1.020	0.997
Three Year Average	1.131	1.055	1.015	0.999
		Five Year	Three Year	
39 to 63 months:		1.017	1.014	
27 to 63 months:		1.067	1.070	
15 to 63 months:		1.226	1.210	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				10,203,061	10,076,383
1997			11,008,017	10,743,091	10,651,143
1998		11,394,293	11,114,149	11,012,708	10,944,152
1999	12,646,423	11,537,251	11,423,295	11,369,299	11,482,883
2000	12,388,721	12,006,427	11,819,962	11,638,277	11,537,925
2001	11,822,624	11,591,092	11,354,463	11,189,105	11,098,552
2002	12,833,292	12,129,687	11,933,562	11,679,374	11,680,654
2003	12,994,158	12,324,915	12,034,219	11,810,327	
2004	12,196,649	11,581,589	11,458,158		
2005	12,810,536	12,700,498			
2006	11,779,484				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.988
1997			0.976	0.991
1998		0.975	0.991	0.994
1999	0.912	0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	1.000
2003	0.948	0.976	0.981	
2004	0.950	0.989		
2005	0.991			
Five Year Average	0.963	0.983	0.985	0.997
Three Year Average	0.963	0.983	0.982	0.994
		Five Year	Three Year	
39 to 63 months:		0.982	0.976	
27 to 63 months:		0.965	0.959	
15 to 63 months:		0.929	0.924	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					44,164,098
1994				42,577,301	41,679,804
1995			37,157,691	38,600,050	39,545,528
1996		34,639,477	41,906,510	45,507,696	45,933,358
1997	20,039,109	31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	52,109,200
2003	24,095,268	44,137,295	49,768,667	53,408,780	
2004	33,532,085	53,425,768	61,714,574		
2005	32,329,148	51,262,138			
2006	37,987,530				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.979
1995			1.039	1.024
1996		1.210	1.086	1.009
1997	1.558	1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	1.000
2003	1.832	1.128	1.073	
2004	1.593	1.155		
2005	1.586			

Five Year Average	1.650	1.195	1.079	1.014
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Three Year Average	1.670	1.176	1.077	1.008
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	Five Year	Three Year
39 to 63 months:	1.094	1.086
27 to 63 months:	1.307	1.277
15 to 63 months:	2.157	2.133

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(e).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-376.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Accident Year	Voluntary and Ceded Combined				
	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					459,179,969
1994				499,778,973	497,362,994
1995			508,281,001	510,695,093	507,711,940
1996		507,084,121	507,244,864	507,972,820	508,379,926
1997	499,433,785	506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	506,516,812
2002	502,055,673	533,149,260	548,869,443	557,723,529	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	
2004	539,624,419	573,780,470	593,251,141		
2005	534,184,208	576,962,347			
2006	555,212,150				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.995
1995			1.005	0.994
1996		1.000	1.001	1.001
1997	1.014	1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	1.003
2002	1.062	1.029	1.016	0.999
2003	1.084	1.035	1.011	
2004	1.063	1.034		
2005	1.080			

Five Year Average	1.066	1.028	1.013	1.003
Three Year Average (b)	1.068	1.033	1.014	1.002

	Five Year	Three Year
39 to 63 months:	1.016	1.016
27 to 63 months:	1.044	1.050
15 to 63 months:	1.113	1.121

(a) Losses are on a 30/60 level for 2002-2006.

Losses are on a 25/50 level for 1993-2001.

(b) The 15-27 month three year average is for 2002, 2004 and 2005.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined					
	Bodily Injury Excess Limits(a) Incurred Losses as of					
	Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
	1993					88,883,962
	1994				91,041,151	90,152,444
	1995			94,675,880	98,150,587	96,478,922
	1996		88,381,693	99,692,723	99,904,973	99,147,527
	1997	61,832,977	85,557,312	90,714,258	94,315,255	94,318,777
	1998	60,500,292	81,972,419	91,097,088	95,182,776	95,303,963
	1999	63,790,789	87,006,201	101,210,760	104,682,292	104,825,462
	2000	61,523,224	89,205,766	101,479,928	106,432,851	106,503,506
	2001	72,030,506	103,854,315	118,014,383	122,629,813	121,289,771
	2002	66,861,543	93,148,172	101,727,960	104,649,397	103,536,917
	2003	74,401,487	103,801,908	116,615,604	116,888,188	
	2004	89,800,192	113,465,743	132,781,615		
	2005	88,610,946	116,376,407			
	2006	99,971,849				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.990
1995			1.037	0.983
1996		1.128	1.002	0.992
1997	1.384	1.060	1.040	1.000
1998	1.355	1.111	1.045	1.001
1999	1.364	1.163	1.034	1.001
2000	1.450	1.138	1.049	1.001
2001	1.442	1.136	1.039	0.989
2002	1.393	1.092	1.029	0.989
2003	1.395	1.123	1.002	
2004	1.264	1.170		
2005	1.313			
Five Year Average	1.361	1.132	1.031	0.996
Three Year Average	1.324	1.128	1.023	0.993
		Five Year	Three Year	
39 to 63 months:		1.027	1.016	
27 to 63 months:		1.163	1.146	
15 to 63 months:		1.583	1.517	

(a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					290,374,126
1994				342,544,827	342,489,519
1995			386,974,758	387,215,933	387,183,990
1996		434,360,545	434,632,796	434,999,549	434,974,174
1997	437,020,628	440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	502,958,797
2002	521,387,936	529,534,675	531,145,335	532,186,698	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	
2004	540,779,130	552,344,575	560,950,492		
2005	560,372,482	572,679,307			
2006	585,759,190				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	1.000
2003	1.018	1.005	0.999	
2004	1.021	1.016		
2005	1.022			
Five Year Average	1.018	1.004	1.001	1.000
Three Year Average	1.020	1.008	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.005	1.009	
15 to 63 months:		1.023	1.029	

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined					
	Property Damage Excess Limits(a) Incurred Losses as of					
	Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
	1993					7,261,139
	1994				3,809,686	3,624,771
	1995			5,744,273	5,565,059	5,550,016
	1996		7,094,230	7,697,540	7,802,433	7,637,344
	1997	8,113,626	8,567,678	8,699,442	8,582,461	8,560,273
	1998	10,497,477	10,416,403	10,433,189	10,432,959	10,194,028
	1999	12,290,268	11,356,963	11,368,177	11,188,297	11,162,968
	2000	12,245,392	12,275,225	12,101,683	12,240,868	12,174,833
	2001	15,468,085	14,746,275	14,837,294	14,597,979	14,633,561
	2002	2,521,015	2,616,537	2,630,144	2,590,768	2,477,167
	2003	5,320,187	4,544,185	3,630,504	3,621,431	
	2004	4,930,566	3,571,223	3,549,725		
	2005	4,291,787	4,089,165			
	2006	4,188,849				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.951
1995			0.969	0.997
1996		1.085	1.014	0.979
1997	1.056	1.015	0.987	0.997
1998	0.992	1.002	1.000	0.977
1999	0.924	1.001	0.984	0.998
2000	1.002	0.986	1.012	0.995
2001	0.953	1.006	0.984	1.002
2002	1.038	1.005	0.985	0.956
2003	0.854	0.799	0.998	
2004	0.724	0.994		
2005	0.953			

Five Year Average 0.904 0.958 0.993 0.986

Three Year Average 0.844 0.933 0.989 0.984

	Five Year	Three Year
39 to 63 months:	0.979	0.973
27 to 63 months:	0.938	0.908
15 to 63 months:	0.848	0.766

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Uninsured Motorists Bodily Injury Basic Limits(a) Incurred Losses as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					26,708,512
1994				28,457,306	27,736,873
1995			31,438,075	31,439,072	31,176,700
1996		32,393,057	32,492,388	32,306,324	31,794,036
1997	33,248,776	35,255,333	35,901,298	36,875,978	36,519,975
1998	31,585,724	34,066,749	34,181,670	33,882,419	33,680,968
1999	29,239,280	32,978,345	33,190,330	33,444,514	33,492,209
2000	31,236,093	32,637,501	33,073,301	33,677,305	33,379,655
2001	31,401,868	33,755,318	35,021,950	35,507,827	35,426,244
2002	32,704,663	37,596,181	39,565,990	39,583,086	39,653,863
2003	35,307,464	39,489,354	40,993,396	41,853,946	
2004	34,894,192	37,454,484	39,846,551		
2005	35,135,790	39,433,924			
2006	37,169,628				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.975
1995			1.000	0.992
1996		1.003	0.994	0.984
1997	1.060	1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	1.002
2003	1.118	1.038	1.021	
2004	1.073	1.064		
2005	1.122			

Five Year Average 1.108 1.041 1.012 0.997

Three Year Average 1.104 1.051 1.012 0.997

	Five Year	Three Year
39 to 63 months:	1.009	1.009
27 to 63 months:	1.050	1.060
15 to 63 months:	1.163	1.170

(a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Uninsured Motorists	Property Damage	Basic Limits(a)	Incurred Losses as of	
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				10,190,734	10,047,584
1997			10,938,146	10,658,220	10,566,331
1998		11,271,321	10,965,606	10,864,638	10,831,683
1999	12,485,180	11,385,922	11,252,921	11,143,920	11,257,504
2000	12,175,598	11,758,667	11,563,960	11,413,456	11,324,557
2001	11,522,357	11,260,876	11,051,061	10,921,388	10,833,455
2002	12,734,308	11,995,876	11,782,745	11,588,557	11,589,837
2003	12,929,486	12,177,961	11,919,457	11,701,679	
2004	11,802,989	11,227,531	11,105,182		
2005	12,302,623	11,786,546			
2006	11,776,886				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.986
1997			0.974	0.991
1998		0.973	0.991	0.997
1999	0.912	0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	1.000
2003	0.942	0.979	0.982	
2004	0.951	0.989		
2005	0.958			

Five Year Average	0.954	0.983	0.986	0.998
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Three Year Average	0.950	0.983	0.985	0.995
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	Five Year	Three Year
39 to 63 months:	0.984	0.980
27 to 63 months:	0.967	0.963
15 to 63 months:	0.923	0.915

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1996-2001.

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(f).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-376.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
Bodily Injury Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					71,532
1994				82,174	83,184
1995			85,550	88,337	89,284
1996		82,708	88,901	91,807	92,819
1997	61,107	82,622	88,449	91,253	92,277
1998	59,043	79,605	85,451	88,361	89,314
1999	59,845	81,377	87,482	90,444	91,471
2000	59,539	80,064	85,793	88,725	89,700
2001	57,221	77,647	83,194	86,137	87,056
2002	60,245	81,132	87,177	90,102	90,461
2003	60,906	82,199	88,117	90,880	
2004	61,763	83,136	89,871		
2005	62,053	81,836			
2006	61,834				
Claim Development Factors					
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.	
1994				1.012	
1995			1.033	1.011	
1996		1.075	1.033	1.011	
1997	1.352	1.071	1.032	1.011	
1998	1.348	1.073	1.034	1.011	
1999	1.360	1.075	1.034	1.011	
2000	1.345	1.072	1.034	1.011	
2001	1.357	1.071	1.035	1.011	
2002	1.347	1.075	1.034	1.004	
2003	1.350	1.072	1.031		
2004	1.346	1.081			
2005	1.319				
Five Year Average	1.344	1.074	1.034	1.010	
Three Year Average	1.338	1.076	1.033	1.009	
		Five Year	Three Year		
39 to 63 months:		1.044	1.042		
27 to 63 months:		1.121	1.121		
15 to 63 months:		1.507	1.500		

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers Voluntary and Ceded Combined

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,514
1994				190,993	191,071
1995			203,110	203,377	203,471
1996		213,750	214,766	215,084	215,157
1997	208,858	214,316	215,181	215,479	215,548
1998	210,147	215,295	216,291	216,497	216,571
1999	216,348	222,135	222,961	223,195	223,252
2000	217,097	224,702	223,537	223,727	223,763
2001	216,633	221,788	222,482	222,688	222,760
2002	219,946	226,020	226,750	227,188	227,129
2003	230,206	236,407	237,156	236,794	
2004	234,927	241,118	244,667		
2005	238,818	244,659			
2006	240,200				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.005	1.001	1.000
1997	1.026	1.004	1.001	1.000
1998	1.024	1.005	1.001	1.000
1999	1.027	1.004	1.001	1.000
2000	1.035	0.995	1.001	1.000
2001	1.024	1.003	1.001	1.000
2002	1.028	1.003	1.002	1.000
2003	1.027	1.003	0.998	
2004	1.026	1.015		
2005	1.024			
Five Year Average	1.026	1.004	1.001	1.000
Three Year Average	1.026	1.007	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.000	
27 to 63 months:		1.005	1.007	
15 to 63 months:		1.031	1.033	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					60,348
1994				66,461	66,539
1995			68,490	68,932	69,016
1996		66,856	68,087	68,546	68,658
1997	55,345	64,573	65,830	66,314	66,404
1998	51,556	60,079	61,326	61,768	61,856
1999	50,559	59,461	60,641	61,102	61,206
2000	50,952	59,085	60,271	60,725	60,783
2001	50,543	57,939	59,077	59,466	59,548
2002	52,732	60,717	61,839	62,274	62,348
2003	51,306	58,999	60,127	60,471	
2004	49,281	56,604	58,060		
2005	49,575	56,506			
2006	50,669				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.001
1996		1.018	1.007	1.002
1997	1.167	1.019	1.007	1.001
1998	1.165	1.021	1.007	1.001
1999	1.176	1.020	1.008	1.002
2000	1.160	1.020	1.008	1.001
2001	1.146	1.020	1.007	1.001
2002	1.151	1.018	1.007	1.001
2003	1.150	1.019	1.006	
2004	1.149	1.026		
2005	1.140			
Five Year Average	1.147	1.021	1.007	1.001
Three Year Average	1.146	1.021	1.007	1.001
		Five Year	Three Year	
39 to 63 months:		1.008	1.008	
27 to 63 months:		1.029	1.029	
15 to 63 months:		1.180	1.179	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Uninsured Motorists Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					3,812
1994				4,536	4,621
1995			4,911	5,069	5,149
1996		5,170	5,541	5,729	5,842
1997	4,020	5,655	6,079	6,337	6,419
1998	3,952	5,500	5,931	6,083	6,170
1999	3,605	5,197	5,624	5,854	5,951
2000	3,822	5,275	5,720	5,919	6,005
2001	3,700	5,232	5,678	5,869	5,942
2002	4,114	5,655	6,077	6,272	6,068
2003	4,089	5,738	6,179	6,345	
2004	3,908	5,448	5,897		
2005	4,210	5,585			
2006	4,047				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.019
1995			1.032	1.016
1996		1.072	1.034	1.020
1997	1.407	1.075	1.042	1.013
1998	1.392	1.078	1.026	1.014
1999	1.442	1.082	1.041	1.017
2000	1.380	1.084	1.035	1.015
2001	1.414	1.085	1.034	1.012
2002	1.375	1.075	1.032	0.967
2003	1.403	1.077	1.027	
2004	1.394	1.082		
2005	1.327			

Five Year Average	1.383	1.081	1.034	1.005
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Three Year Average	1.375	1.078	1.031	0.998
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	Five Year	Three Year
39 to 63 months:	1.039	1.029
27 to 63 months:	1.123	1.109
15 to 63 months:	1.553	1.525

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers Voluntary and Ceded Combined

Uninsured Motorists Property Damage Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				8,534	8,582
1997			9,288	9,338	9,360
1998		9,482	9,577	9,603	9,641
1999	9,311	9,817	9,921	10,015	10,058
2000	9,426	9,839	9,956	10,037	10,052
2001	8,983	9,421	9,580	9,653	9,665
2002	8,939	9,386	9,459	9,468	9,377
2003	8,957	9,308	9,301	9,198	
2004	8,759	9,020	9,120		
2005	8,959	9,178			
2006	8,508				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				1.006
1997			1.005	1.002
1998		1.010	1.003	1.004
1999	1.054	1.011	1.009	1.004
2000	1.044	1.012	1.008	1.001
2001	1.049	1.017	1.008	1.001
2002	1.050	1.008	1.001	0.990
2003	1.039	0.999	0.989	
2004	1.030	1.011		
2005	1.024			
Five Year Average				
	1.038	1.009	1.003	1.000
Three Year Average				
	1.031	1.006	0.999	0.997
Five Year Three Year				
39 to 63 months:		1.003	0.996	
27 to 63 months:		1.012	1.002	
15 to 63 months:		1.050	1.033	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined					
	Underinsured Motorists Bodily Injury Paid Claims as of					
	Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993						1,027
1994					1,072	1,157
1995				840	1,006	1,084
1996			628	913	1,075	1,145
1997		226	599	859	1,036	1,119
1998		248	602	842	982	1,083
1999		365	769	1,027	1,192	1,277
2000		293	680	957	1,133	1,213
2001		210	626	907	1,069	1,164
2002		201	595	923	1,091	1,182
2003		167	577	885	1,057	
2004		249	766	1,101		
2005		237	704			
2006		307				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.079
1995			1.198	1.078
1996		1.454	1.177	1.065
1997	2.650	1.434	1.206	1.080
1998	2.427	1.399	1.166	1.103
1999	2.107	1.336	1.161	1.071
2000	2.321	1.407	1.184	1.071
2001	2.981	1.449	1.179	1.089
2002	2.960	1.551	1.182	1.083
2003	3.455	1.534	1.194	
2004	3.076	1.437		
2005	2.970			
Five Year Average				
	3.088	1.476	1.180	1.083
Three Year Average				
	3.167	1.507	1.185	1.081
Five Year				
Three Year				
39 to 63 months:		1.278	1.281	
27 to 63 months:		1.886	1.930	
15 to 63 months:		5.824	6.112	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					72,128
1994				84,346	83,857
1995			90,615	90,309	89,961
1996		94,473	94,022	93,916	93,519
1997	96,535	94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	87,694
2002	96,845	93,413	92,563	92,015	91,069
2003	98,407	94,411	93,472	92,709	
2004	98,867	95,352	94,812		
2005	96,834	93,155			
2006	96,429				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			0.997	0.996
1996		0.995	0.999	0.996
1997	0.976	0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	0.995
2002	0.965	0.991	0.994	0.990
2003	0.959	0.990	0.992	
2004	0.964	0.994		
2005	0.962			
Five Year Average	0.962	0.991	0.994	0.995
Three Year Average	0.962	0.992	0.994	0.994
		Five Year	Three Year	
39 to 63 months:		0.989	0.988	
27 to 63 months:		0.980	0.980	
15 to 63 months:		0.943	0.943	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,569
1994				191,123	191,119
1995			203,409	203,482	203,511
1996		214,611	215,087	215,218	215,208
1997	213,462	215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	222,788
2002	225,129	226,768	227,050	227,280	227,151
2003	235,482	236,947	237,345	236,866	
2004	239,528	241,668	244,848		
2005	242,482	245,096			
2006	243,912				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.001	1.000
1997	1.007	1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	0.999
2002	1.007	1.001	1.001	0.999
2003	1.006	1.002	0.998	
2004	1.009	1.013		
2005	1.011			
Five Year Average	1.008	1.002	1.000	1.000
Three Year Average	1.009	1.005	1.000	0.999
		Five Year	Three Year	
39 to 63 months:		1.000	0.999	
27 to 63 months:		1.002	1.004	
15 to 63 months:		1.010	1.013	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					60,391
1994				66,604	66,592
1995			68,876	69,056	69,057
1996		68,189	68,540	68,706	68,723
1997	64,007	65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	59,579
2002	60,999	61,948	62,273	62,406	62,393
2003	59,036	60,027	60,458	60,586	
2004	56,892	57,641	58,405		
2005	56,522	57,491			
2006	59,284				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		1.005	1.002	1.000
1997	1.029	1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	1.000
2002	1.016	1.005	1.002	1.000
2003	1.017	1.007	1.002	
2004	1.013	1.013		
2005	1.017			

Five Year Average 1.016 1.008 1.002 1.000

Three Year Average 1.016 1.008 1.002 1.000

Five Year Three Year

39 to 63 months: 1.002 1.002
 27 to 63 months: 1.010 1.010
 15 to 63 months: 1.026 1.026

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Uninsured Motorists Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					3,856
1994				4,727	4,677
1995			5,273	5,296	5,244
1996		5,928	5,939	5,923	5,921
1997	6,466	6,526	6,527	6,543	6,508
1998	6,308	6,296	6,277	6,261	6,245
1999	5,790	6,012	6,033	6,040	6,016
2000	6,050	6,100	6,127	6,114	6,082
2001	6,123	6,048	6,072	6,028	5,989
2002	6,506	6,480	6,498	6,426	6,113
2003	6,583	6,533	6,544	6,484	
2004	6,254	6,110	6,207		
2005	6,348	6,284			
2006	6,300				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.989
1995			1.004	0.990
1996		1.002	0.997	1.000
1997	1.009	1.000	1.002	0.995
1998	0.998	0.997	0.997	0.997
1999	1.038	1.003	1.001	0.996
2000	1.008	1.004	0.998	0.995
2001	0.988	1.004	0.993	0.994
2002	0.996	1.003	0.989	0.951
2003	0.992	1.002	0.991	
2004	0.977	1.016		
2005	0.990			
Five Year Average	0.989	1.006	0.994	0.987
Three Year Average	0.986	1.007	0.991	0.980
		Five Year	Three Year	
39 to 63 months:		0.981	0.971	
27 to 63 months:		0.987	0.978	
15 to 63 months:		0.976	0.964	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996				8,561	8,591
1997			9,348	9,351	9,364
1998		9,621	9,615	9,616	9,645
1999	9,870	9,909	9,954	10,039	10,063
2000	9,827	9,910	9,992	10,061	10,067
2001	9,343	9,517	9,627	9,684	9,673
2002	9,342	9,463	9,493	9,481	9,383
2003	9,339	9,354	9,314	9,205	
2004	9,078	9,071	9,150		
2005	9,203	9,224			
2006	8,781				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				1.004
1997			1.000	1.001
1998		0.999	1.000	1.003
1999	1.004	1.005	1.009	1.002
2000	1.008	1.008	1.007	1.001
2001	1.019	1.012	1.006	0.999
2002	1.013	1.003	0.999	0.990
2003	1.002	0.996	0.988	
2004	0.999	1.009		
2005	1.002			
Five Year Average	1.007	1.006	1.002	0.999
Three Year Average	1.001	1.003	0.998	0.997
		Five Year	Three Year	
39 to 63 months:		1.001	0.995	
27 to 63 months:		1.007	0.998	
15 to 63 months:		1.014	0.999	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined					
	Underinsured Motorists Bodily Injury Incurred Claims as of					
	Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993						1,129
1994					1,322	1,262
1995				1,174	1,207	1,157
1996			1,107	1,266	1,326	1,253
1997		729	1,061	1,213	1,263	1,203
1998		773	1,072	1,215	1,282	1,187
1999		967	1,191	1,357	1,446	1,366
2000		807	1,188	1,322	1,368	1,325
2001		708	1,063	1,243	1,332	1,245
2002		696	1,087	1,311	1,308	1,266
2003		721	1,107	1,260	1,317	
2004		943	1,356	1,503		
2005		837	1,203			
2006		957				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.955
1995			1.028	0.959
1996		1.144	1.047	0.945
1997	1.455	1.143	1.041	0.952
1998	1.387	1.133	1.055	0.926
1999	1.232	1.139	1.066	0.945
2000	1.472	1.113	1.035	0.969
2001	1.501	1.169	1.072	0.935
2002	1.562	1.206	0.998	0.968
2003	1.535	1.138	1.045	
2004	1.438	1.108		
2005	1.437			
Five Year Average	1.495	1.147	1.043	0.949
Three Year Average	1.470	1.151	1.038	0.957
		Five Year	Three Year	
39 to 63 months:		0.990	0.993	
27 to 63 months:		1.136	1.143	
15 to 63 months:		1.698	1.680	

See attached Exhibit (3)(g).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page H-376.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined		
Bodily Injury Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			5,065
1996		11,765	5,121
1997	35,428	11,634	5,362
1998	34,683	11,634	5,261
1999	36,658	12,038	5,663
2000	34,470	12,037	5,344
2001	35,744	11,596	5,216
2002	36,600	12,281	5,386
2003	37,501	12,212	5,355
2004	37,104	12,216	4,941
2005	34,781	11,319	
2006	34,595		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.435
1997	0.328	0.461
1998	0.335	0.452
1999	0.328	0.470
2000	0.349	0.444
2001	0.324	0.450
2002	0.336	0.439
2003	0.326	0.439
2004	0.329	0.404
2005	0.325	
Five Year Average	0.328	0.435
Three Year Average	0.327	0.427
	Five Year	Three Year
27 to 39 months:	0.435	0.427
15 to 39 months:	0.143	0.140

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined		
Property Damage Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			299
1996		861	321
1997	4,604	736	306
1998	4,903	943	297
1999	5,650	1,175	316
2000	4,808	900	401
2001	4,708	831	376
2002	5,183	748	300
2003	5,276	540	189
2004	4,601	550	181
2005	3,664	437	
2006	3,712		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.373
1997	0.160	0.416
1998	0.192	0.315
1999	0.208	0.269
2000	0.187	0.446
2001	0.177	0.452
2002	0.144	0.401
2003	0.102	0.350
2004	0.120	0.329
2005	0.119	
Five Year Average	0.132	0.396
Three Year Average	0.114	0.360
	Five Year	Three Year
27 to 39 months:	0.396	0.360
15 to 39 months:	0.052	0.041

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			386
1996		1,333	453
1997	8,662	1,288	522
1998	8,506	1,457	425
1999	9,073	1,421	529
2000	8,026	1,266	414
2001	7,564	1,111	395
2002	8,267	1,231	434
2003	7,730	1,028	331
2004	7,611	1,037	345
2005	6,947	985	
2006	8,615		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.340
1997	0.149	0.405
1998	0.171	0.292
1999	0.157	0.372
2000	0.158	0.327
2001	0.147	0.356
2002	0.149	0.353
2003	0.133	0.322
2004	0.136	0.333
2005	0.142	
Five Year Average	0.141	0.338
Three Year Average	0.137	0.336
	Five Year	Three Year
27 to 39 months:	0.338	0.336
15 to 39 months:	0.048	0.046

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	4,660,842	4,660,842	3,699,155
2003	4,702,282	4,702,282	3,729,677
2004	4,743,139	4,743,139	3,784,889
2005	4,910,797	4,910,797	3,909,999
2006	5,046,333	5,046,333	4,014,401

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	1,269,514	1,269,514	733,076
2003	1,342,108	1,342,108	780,905
2004	1,473,746	1,473,746	890,259
2005	1,497,708	1,497,708	911,037
2006	1,506,548	1,506,548	932,325

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	603,339,789	593,112,925	79,901,772
2003	616,132,326	662,935,691	87,396,102
2004	640,538,388	640,825,636	95,274,269
2005	666,075,997	664,897,876	97,241,986
2006	703,328,420	691,999,158	100,610,880

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	301,372,966	270,507,009	26,320,893
2003	332,942,521	300,226,403	28,929,068
2004	360,789,836	303,706,749	31,853,745
2005	391,907,836	315,932,794	37,980,336
2006	361,217,105	319,225,208	31,665,707

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary Only				
Bodily Injury Total Limits Paid Losses as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					329,451,280
1994				327,817,063	343,556,805
1995			311,681,282	347,496,187	363,133,994
1996		247,712,374	307,405,624	346,429,686	364,158,644
1997	131,716,874	251,103,010	312,051,907	349,688,161	366,319,867
1998	131,954,580	249,502,212	310,492,979	345,198,499	363,799,178
1999	136,928,680	262,289,392	327,202,535	364,470,808	384,298,124
2000	145,341,494	268,448,618	331,605,380	371,955,668	390,855,362
2001	135,919,115	264,105,448	331,110,357	373,432,756	392,076,769
2002	144,659,219	277,908,596	346,317,622	388,085,630	405,462,685
2003	144,007,524	290,116,674	357,174,830	401,245,592	
2004	150,070,170	292,864,126	378,790,997		
2005	161,959,557	305,903,777			
2006	169,423,762				

Loss Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.048
1995			1.115	1.045
1996		1.241	1.127	1.051
1997	1.906	1.243	1.121	1.048
1998	1.891	1.244	1.112	1.054
1999	1.916	1.247	1.114	1.054
2000	1.847	1.235	1.122	1.051
2001	1.943	1.254	1.128	1.050
2002	1.921	1.246	1.121	1.045
2003	2.015	1.231	1.123	
2004	1.952	1.293		
2005	1.889			
Five Year Average	1.944	1.252	1.122	1.051
Three Year Average	1.952	1.257	1.124	1.049
		Five Year	Three Year	
39 to 63 months:		1.179	1.179	
27 to 63 months:		1.476	1.482	
15 to 63 months:		2.869	2.893	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					187,142,154
1994				216,029,312	216,165,173
1995			247,827,442	248,286,260	248,442,721
1996		274,988,971	276,481,658	277,172,158	277,283,992
1997	272,232,851	280,249,239	281,952,172	282,533,615	282,721,197
1998	287,051,856	295,893,318	297,624,497	298,142,455	298,255,646
1999	311,224,865	319,543,751	321,709,041	322,118,970	322,251,238
2000	330,726,703	345,020,813	343,267,588	343,840,594	344,026,169
2001	324,681,232	336,106,138	337,702,119	338,424,158	338,637,394
2002	330,325,524	341,696,639	343,743,769	344,754,539	345,031,243
2003	336,393,949	347,871,948	349,428,023	350,094,712	
2004	336,418,727	347,690,883	350,323,622		
2005	349,176,567	362,204,335			
2006	368,458,247				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.005	1.002	1.000
1997	1.029	1.006	1.002	1.001
1998	1.031	1.006	1.002	1.000
1999	1.027	1.007	1.001	1.000
2000	1.043	0.995	1.002	1.001
2001	1.035	1.005	1.002	1.001
2002	1.034	1.006	1.003	1.001
2003	1.034	1.004	1.002	
2004	1.034	1.008		
2005	1.037			
Five Year Average	1.035	1.004	1.002	1.001
Three Year Average	1.035	1.006	1.002	1.001
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.007	1.009	
15 to 63 months:		1.042	1.044	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers

Voluntary Only

Medical Payments Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					51,090,326
1994				53,507,780	53,716,208
1995			56,077,515	56,849,656	57,077,554
1996		53,922,770	55,603,417	56,470,917	56,811,251
1997	43,443,931	52,934,543	55,142,839	56,099,297	56,383,066
1998	42,515,001	51,981,434	54,064,403	54,900,325	55,169,555
1999	43,858,526	54,378,026	56,378,034	57,412,858	57,550,784
2000	46,002,305	55,806,584	57,959,165	59,021,329	59,187,508
2001	48,384,631	58,718,043	61,263,212	62,202,986	62,457,064
2002	51,922,666	62,694,663	65,325,155	66,246,138	66,421,527
2003	52,255,242	64,218,044	66,054,543	67,073,610	
2004	50,890,226	61,429,444	63,330,746		
2005	51,811,123	61,718,993			
2006	53,565,415				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.004
1995			1.014	1.004
1996		1.031	1.016	1.006
1997	1.218	1.042	1.017	1.005
1998	1.223	1.040	1.015	1.005
1999	1.240	1.037	1.018	1.002
2000	1.213	1.039	1.018	1.003
2001	1.214	1.043	1.015	1.004
2002	1.207	1.042	1.014	1.003
2003	1.229	1.029	1.015	
2004	1.207	1.031		
2005	1.191			
Five Year Average	1.210	1.037	1.016	1.003
Three Year Average	1.209	1.034	1.015	1.003
		Five Year	Three Year	
39 to 63 months:		1.019	1.018	
27 to 63 months:		1.057	1.053	
15 to 63 months:		1.279	1.273	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary Only				
Bodily Injury Total Limits Incurred Losses as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					338,244,071
1994				353,841,908	352,363,980
1995			371,290,988	375,756,132	372,286,476
1996		362,097,993	371,475,392	371,745,045	372,325,990
1997	338,235,350	358,534,649	364,924,210	371,778,989	373,561,529
1998	329,217,076	351,445,425	363,364,191	369,619,589	370,853,319
1999	341,970,362	366,026,255	384,335,134	391,183,332	393,357,986
2000	332,390,379	368,908,257	387,134,717	396,753,921	398,733,679
2001	339,217,710	372,371,262	390,933,974	399,505,127	399,848,937
2002	353,667,044	389,313,941	403,078,765	413,871,348	414,099,441
2003	357,539,084	400,924,950	423,616,821	427,707,079	
2004	381,086,400	413,617,152	441,772,958		
2005	378,466,761	423,501,465			
2006	404,910,982				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.996
1995			1.012	0.991
1996		1.026	1.001	1.002
1997	1.060	1.018	1.019	1.005
1998	1.068	1.034	1.017	1.003
1999	1.070	1.050	1.018	1.006
2000	1.110	1.049	1.025	1.005
2001	1.098	1.050	1.022	1.001
2002	1.101	1.035	1.027	1.001
2003	1.121	1.057	1.010	
2004	1.085	1.068		
2005	1.119			
Five Year Average				
	1.105	1.052	1.020	1.003
Three Year Average				
	1.108	1.053	1.020	1.002
Five Year Three Year				
39 to 63 months:		1.023	1.022	
27 to 63 months:		1.076	1.076	
15 to 63 months:		1.189	1.192	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary Only				
	Property Damage Total Limits Incurred Losses as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					187,222,148
1994				216,423,305	216,276,852
1995			248,574,801	248,651,994	248,616,262
1996		276,886,275	277,164,367	277,526,896	277,431,035
1997	280,399,045	282,022,894	282,816,409	283,027,208	282,865,304
1998	296,849,433	298,005,358	298,510,484	298,469,768	298,306,952
1999	321,836,464	321,832,900	322,569,675	322,410,874	322,299,995
2000	340,096,434	347,224,747	343,980,168	344,040,973	344,081,913
2001	334,870,040	338,075,600	338,673,729	338,830,423	338,806,939
2002	338,996,505	343,527,271	344,531,462	345,219,230	345,136,473
2003	345,413,531	349,415,194	350,134,574	350,427,315	
2004	344,995,813	349,026,069	350,898,801		
2005	356,699,420	363,790,808			
2006	377,302,016				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		1.001	1.001	1.000
1997	1.006	1.003	1.001	0.999
1998	1.004	1.002	1.000	0.999
1999	1.000	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.010	1.002	1.000	1.000
2002	1.013	1.003	1.002	1.000
2003	1.012	1.002	1.001	
2004	1.012	1.005		
2005	1.020			
Five Year Average	1.013	1.001	1.001	1.000
Three Year Average	1.015	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.002	1.004	
15 to 63 months:		1.015	1.019	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					51,167,927
1994				53,658,630	53,775,408
1995			56,528,216	57,004,741	57,154,627
1996		55,392,698	56,153,565	56,648,821	56,924,833
1997	51,928,488	54,625,154	55,777,610	56,382,846	56,488,286
1998	50,493,680	53,591,274	54,668,107	55,173,400	55,244,596
1999	53,062,938	56,115,237	57,082,950	57,729,545	58,675,761
2000	54,099,493	57,472,357	58,604,710	59,191,875	59,232,269
2001	56,794,753	60,510,986	61,962,205	62,550,973	62,553,582
2002	60,543,949	64,654,043	65,892,613	66,491,214	66,485,157
2003	60,952,465	66,186,274	66,619,913	67,269,601	
2004	60,074,640	62,964,357	63,928,606		
2005	60,033,376	63,396,885			
2006	64,957,646				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.002
1995			1.008	1.003
1996		1.014	1.009	1.005
1997	1.052	1.021	1.011	1.002
1998	1.061	1.020	1.009	1.001
1999	1.058	1.017	1.011	1.016
2000	1.062	1.020	1.010	1.001
2001	1.065	1.024	1.010	1.000
2002	1.068	1.019	1.009	1.000
2003	1.086	1.007	1.010	
2004	1.048	1.015		
2005	1.056			

Five Year Average	1.065	1.017	1.010	1.004
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Three Year Average	1.063	1.014	1.010	1.000
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	Five Year	Three Year
39 to 63 months:	1.014	1.010
27 to 63 months:	1.031	1.024
15 to 63 months:	1.098	1.089

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary Only				
Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					264,719,945
1994				282,437,524	281,983,940
1995			294,934,944	296,364,163	294,571,781
1996		289,872,311	290,277,242	290,370,189	291,170,689
1997	287,806,243	288,003,810	289,753,370	293,417,186	294,710,485
1998	279,631,461	283,443,817	287,122,200	290,335,486	291,518,174
1999	287,757,237	291,278,162	297,711,334	301,975,729	304,112,726
2000	280,701,710	294,453,525	302,382,187	307,529,213	309,167,129
2001	281,350,691	289,660,333	296,848,925	301,545,062	303,573,316
2002	297,658,702	311,450,105	319,847,860	326,010,865	327,050,021
2003	295,844,986	316,186,188	327,672,300	331,622,074	
2004	307,303,201	320,585,803	331,151,859		
2005	307,770,192	329,825,284			
2006	325,803,683				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.998
1995			1.005	0.994
1996		1.001	1.000	1.003
1997	1.001	1.006	1.013	1.004
1998	1.014	1.013	1.011	1.004
1999	1.012	1.022	1.014	1.007
2000	1.049	1.027	1.017	1.005
2001	1.030	1.025	1.016	1.007
2002	1.046	1.027	1.019	1.003
2003	1.069	1.036	1.012	
2004	1.043	1.033		
2005	1.072			
Five Year Average	1.052	1.030	1.016	1.005
Three Year Average	1.061	1.032	1.016	1.005
		Five Year	Three Year	
39 to 63 months:		1.021	1.021	
27 to 63 months:		1.052	1.054	
15 to 63 months:		1.107	1.118	

(a) Losses are on a 30/60 level for 2002-2006.
 Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Voluntary Only				
Property Damage Basic Limits(a) Incurred Losses as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					181,409,030
1994				213,555,881	213,535,132
1995			244,554,516	244,741,870	244,723,257
1996		271,814,464	271,696,402	272,012,743	271,996,501
1997	274,485,578	275,941,421	276,685,201	276,967,434	276,813,730
1998	288,938,904	290,584,122	290,817,272	290,825,415	290,891,530
1999	313,167,518	313,788,027	314,571,078	314,556,690	314,455,956
2000	330,730,795	337,810,703	334,749,005	334,771,674	334,834,656
2001	324,263,934	328,208,148	328,832,646	329,114,106	329,140,804
2002	337,116,430	341,671,564	342,630,222	343,327,511	343,353,975
2003	340,874,531	345,542,595	347,175,978	347,499,636	
2004	341,071,267	346,449,762	348,374,612		
2005	353,373,762	360,658,158			
2006	374,146,048				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.000	1.001	1.000
1997	1.005	1.003	1.001	0.999
1998	1.006	1.001	1.000	1.000
1999	1.002	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.012	1.002	1.001	1.000
2002	1.014	1.003	1.002	1.000
2003	1.014	1.005	1.001	
2004	1.016	1.006		
2005	1.021			
Five Year Average	1.015	1.001	1.001	1.000
Three Year Average	1.017	1.005	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.002	1.006	
15 to 63 months:		1.017	1.023	

(a) Losses are on a \$25,000 level for 2002-2006.
 Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers		Voluntary Only				
		Bodily Injury Paid Claims as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months	
1993					42,971	
1994				46,413	47,020	
1995			48,533	50,192	50,828	
1996		45,814	49,242	50,971	51,601	
1997	34,165	45,678	49,060	50,677	51,312	
1998	33,659	45,185	48,526	50,236	50,789	
1999	34,948	46,816	50,282	51,998	52,623	
2000	35,764	47,333	50,617	52,429	53,079	
2001	34,241	46,028	49,435	51,277	51,873	
2002	35,848	47,874	51,346	53,077	53,585	
2003	35,861	47,815	51,112	52,867		
2004	35,604	47,584	50,947			
2005	36,122	47,272				
2006	36,008					

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.013
1995			1.034	1.013
1996		1.075	1.035	1.012
1997	1.337	1.074	1.033	1.013
1998	1.342	1.074	1.035	1.011
1999	1.340	1.074	1.034	1.012
2000	1.323	1.069	1.036	1.012
2001	1.344	1.074	1.037	1.012
2002	1.335	1.073	1.034	1.010
2003	1.333	1.069	1.034	
2004	1.336	1.071		
2005	1.309			

Five Year Average 1.331 1.071 1.035 1.011

Three Year Average 1.326 1.071 1.035 1.011

	Five Year	Three Year
39 to 63 months:	1.046	1.046
27 to 63 months:	1.120	1.120
15 to 63 months:	1.491	1.485

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Property Damage Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,219
1994				119,278	119,329
1995			127,128	127,315	127,384
1996		132,110	132,768	132,933	132,981
1997	129,914	132,984	133,550	133,747	133,800
1998	133,638	136,492	137,115	137,235	137,263
1999	139,595	142,084	142,552	142,589	142,628
2000	142,423	147,633	145,909	146,026	146,044
2001	142,114	144,690	145,138	145,269	145,312
2002	142,112	145,639	146,073	146,305	146,386
2003	142,890	146,241	146,644	146,723	
2004	143,403	146,792	147,341		
2005	146,065	149,555			
2006	150,334				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.001
1996		1.005	1.001	1.000
1997	1.024	1.004	1.001	1.000
1998	1.021	1.005	1.001	1.000
1999	1.018	1.003	1.000	1.000
2000	1.037	0.988	1.001	1.000
2001	1.018	1.003	1.001	1.000
2002	1.025	1.003	1.002	1.001
2003	1.023	1.003	1.001	
2004	1.024	1.004		
2005	1.024			
Five Year Average	1.023	1.000	1.001	1.000
Three Year Average	1.024	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.001	1.004	
15 to 63 months:		1.024	1.028	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary Only				
Medical Payments Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					39,119
1994				41,282	41,347
1995			42,381	42,696	42,761
1996		40,555	41,382	41,708	41,776
1997	33,743	39,271	40,123	40,486	40,559
1998	32,118	37,416	38,317	38,667	38,731
1999	32,298	38,069	38,882	39,163	39,241
2000	33,650	39,160	39,932	40,277	40,325
2001	33,696	38,638	39,502	39,808	39,861
2002	34,276	39,705	40,510	40,813	40,875
2003	33,240	38,284	39,058	39,317	
2004	31,189	35,940	36,629		
2005	31,063	35,574			
2006	31,693				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.002
1995			1.007	1.002
1996		1.020	1.008	1.002
1997	1.164	1.022	1.009	1.002
1998	1.165	1.024	1.009	1.002
1999	1.179	1.021	1.007	1.002
2000	1.164	1.020	1.009	1.001
2001	1.147	1.022	1.008	1.001
2002	1.158	1.020	1.007	1.002
2003	1.152	1.020	1.007	
2004	1.152	1.019		
2005	1.145			

Five Year Average 1.151 1.020 1.008 1.002

Three Year Average 1.150 1.020 1.007 1.001

Five Year Three Year

39 to 63 months: 1.010 1.008
 27 to 63 months: 1.030 1.028
 15 to 63 months: 1.186 1.182

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					43,339
1994				47,831	47,488
1995			51,948	51,632	51,346
1996		53,207	52,654	52,386	52,069
1997	55,275	53,118	52,492	52,135	51,832
1998	54,721	52,464	51,915	51,551	51,207
1999	57,517	54,562	53,863	53,342	53,044
2000	57,171	54,901	54,115	53,687	53,467
2001	55,746	53,390	52,789	52,550	52,285
2002	57,489	55,279	54,650	54,250	53,943
2003	57,432	55,024	54,359	53,922	
2004	56,878	54,535	53,962		
2005	56,083	53,951			
2006	56,360				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.993
1995			0.994	0.994
1996		0.990	0.995	0.994
1997	0.961	0.988	0.993	0.994
1998	0.959	0.990	0.993	0.993
1999	0.949	0.987	0.990	0.994
2000	0.960	0.986	0.992	0.996
2001	0.958	0.989	0.995	0.995
2002	0.962	0.989	0.993	0.994
2003	0.958	0.988	0.992	
2004	0.959	0.989		
2005	0.962			
Five Year Average	0.960	0.988	0.992	0.994
Three Year Average	0.960	0.989	0.993	0.995
		Five Year	Three Year	
39 to 63 months:		0.986	0.988	
27 to 63 months:		0.974	0.977	
15 to 63 months:		0.935	0.938	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary Only

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,244
1994				119,348	119,361
1995			127,327	127,392	127,415
1996		132,699	132,991	133,026	133,020
1997	132,831	133,485	133,761	133,826	133,837
1998	136,734	137,101	137,319	137,320	137,283
1999	142,944	142,633	142,749	142,663	142,646
2000	145,422	148,156	146,101	146,076	146,059
2001	145,005	145,139	145,299	145,327	145,329
2002	145,234	146,083	146,229	146,362	146,400
2003	145,932	146,602	146,767	146,765	
2004	146,263	147,078	147,461		
2005	148,292	149,843			
2006	152,635				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.002	1.000	1.000
1997	1.005	1.002	1.000	1.000
1998	1.003	1.002	1.000	1.000
1999	0.998	1.001	0.999	1.000
2000	1.019	0.986	1.000	1.000
2001	1.001	1.001	1.000	1.000
2002	1.006	1.001	1.001	1.000
2003	1.005	1.001	1.000	
2004	1.006	1.003		
2005	1.010			

Five Year Average 1.006 0.998 1.000 1.000

Three Year Average 1.007 1.002 1.000 1.000

Five Year Three Year

39 to 63 months: 1.000 1.000
27 to 63 months: 0.998 1.002
15 to 63 months: 1.004 1.009

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Voluntary Only

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					39,139
1994				41,363	41,377
1995			42,642	42,791	42,790
1996		41,503	41,711	41,817	41,827
1997	39,262	40,211	40,493	40,604	40,618
1998	37,677	38,369	38,652	38,786	38,764
1999	38,340	39,056	39,267	39,319	39,295
2000	39,174	40,060	40,237	40,402	40,356
2001	38,773	39,399	39,776	39,895	39,881
2002	39,568	40,472	40,791	40,910	40,900
2003	38,088	38,982	39,308	39,403	
2004	35,941	36,635	36,859		
2005	35,441	36,228			
2006	37,567				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		1.005	1.003	1.000
1997	1.024	1.007	1.003	1.000
1998	1.018	1.007	1.003	0.999
1999	1.019	1.005	1.001	0.999
2000	1.023	1.004	1.004	0.999
2001	1.016	1.010	1.003	1.000
2002	1.023	1.008	1.003	1.000
2003	1.023	1.008	1.002	
2004	1.019	1.006		
2005	1.022			
Five Year Average	1.021	1.007	1.003	0.999
Three Year Average	1.021	1.007	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.003	
27 to 63 months:		1.009	1.010	
15 to 63 months:		1.030	1.031	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Voluntary Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			3,415
1996		7,393	3,412
1997	21,110	7,440	3,432
1998	21,062	7,279	3,389
1999	22,569	7,746	3,581
2000	21,407	7,568	3,498
2001	21,505	7,362	3,354
2002	21,641	7,405	3,304
2003	21,571	7,209	3,247
2004	21,274	6,951	3,015
2005	19,961	6,679	
2006	20,352		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.462
1997	0.352	0.461
1998	0.346	0.466
1999	0.343	0.462
2000	0.354	0.462
2001	0.342	0.456
2002	0.342	0.446
2003	0.334	0.450
2004	0.327	0.434
2005	0.335	
Five Year Average	0.336	0.450
Three Year Average	0.332	0.443
	Five Year	Three Year
27 to 39 months:	0.450	0.443
15 to 39 months:	0.151	0.147

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Voluntary Only

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			199
1996		589	223
1997	2,917	501	211
1998	3,096	609	204
1999	3,349	549	197
2000	2,999	523	192
2001	2,891	449	161
2002	3,122	444	156
2003	3,042	361	123
2004	2,860	286	120
2005	2,227	288	
2006	2,301		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.379
1997	0.172	0.421
1998	0.197	0.335
1999	0.164	0.359
2000	0.174	0.367
2001	0.155	0.359
2002	0.142	0.351
2003	0.119	0.341
2004	0.100	0.420
2005	0.129	

Five Year Average	0.129	0.368
Three Year Average	0.116	0.371

Five Year Three Year

27 to 39 months:	0.368	0.371
15 to 39 months:	0.047	0.043

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary Only		
Medical Payments Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			261
1996		948	329
1997	5,519	940	370
1998	5,559	953	335
1999	6,042	987	385
2000	5,524	900	305
2001	5,077	761	274
2002	5,292	767	281
2003	4,848	698	250
2004	4,752	695	230
2005	4,378	654	
2006	5,874		

Claim Development Factors		
Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.347
1997	0.170	0.394
1998	0.171	0.352
1999	0.163	0.390
2000	0.163	0.339
2001	0.150	0.360
2002	0.145	0.366
2003	0.144	0.358
2004	0.146	0.331
2005	0.149	
Five Year Average	0.147	0.351
Three Year Average	0.146	0.352
	Five Year	Three Year
27 to 39 months:	0.351	0.352
15 to 39 months:	0.052	0.051

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					203,458,369
1994				222,465,506	228,576,147
1995			205,414,915	221,303,468	225,944,484
1996		178,317,152	210,294,473	225,789,603	231,472,253
1997	97,927,269	180,512,993	210,222,424	225,675,172	231,891,887
1998	96,647,041	169,671,248	198,554,240	214,824,343	220,828,026
1999	94,946,771	168,301,271	199,627,433	215,803,053	222,178,529
2000	92,925,513	168,994,339	198,304,888	213,864,821	219,544,734
2001	93,543,064	172,612,226	202,279,234	218,595,702	224,203,919
2002	102,289,306	184,853,613	221,045,443	238,066,247	243,370,189
2003	110,749,414	202,280,862	241,625,574	262,347,805	
2004	116,558,278	211,006,106	256,026,217		
2005	120,735,528	211,972,571			
2006	123,306,427				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.027
1995			1.077	1.021
1996		1.179	1.074	1.025
1997	1.843	1.165	1.074	1.028
1998	1.756	1.170	1.082	1.028
1999	1.773	1.186	1.081	1.030
2000	1.819	1.173	1.078	1.027
2001	1.845	1.172	1.081	1.026
2002	1.807	1.196	1.077	1.022
2003	1.826	1.195	1.086	
2004	1.810	1.213		
2005	1.756			
Five Year Average	1.809	1.190	1.081	1.027
Three Year Average	1.797	1.201	1.081	1.025
		Five Year	Three Year	
39 to 63 months:		1.110	1.108	
27 to 63 months:		1.321	1.331	
15 to 63 months:		2.390	2.392	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Ceded Only				
	Property Damage Total Limits Paid Losses as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,610,292
1994				127,936,707	128,042,881
1995			141,650,662	141,940,120	142,048,456
1996		163,361,517	164,519,331	164,993,231	165,090,593
1997	158,980,526	165,804,050	166,790,046	167,172,421	167,220,124
1998	156,325,056	163,400,964	164,517,027	164,862,351	165,018,030
1999	161,874,885	172,064,068	173,444,240	174,153,232	173,918,673
2000	166,136,058	173,945,669	175,610,844	175,902,797	175,952,317
2001	169,265,356	177,560,347	178,382,244	178,627,877	178,725,294
2002	179,578,413	187,751,960	188,814,992	189,395,773	189,236,614
2003	192,140,141	201,809,632	202,915,540	202,286,403	
2004	195,603,006	205,723,973	213,335,224		
2005	203,182,092	212,387,446			
2006	207,329,844				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.007	1.003	1.001
1997	1.043	1.006	1.002	1.000
1998	1.045	1.007	1.002	1.001
1999	1.063	1.008	1.004	0.999
2000	1.047	1.010	1.002	1.000
2001	1.049	1.005	1.001	1.001
2002	1.046	1.006	1.003	0.999
2003	1.050	1.005	0.997	
2004	1.052	1.037		
2005	1.045			
Five Year Average	1.048	1.013	1.001	1.000
Three Year Average	1.049	1.016	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.000	
27 to 63 months:		1.014	1.016	
15 to 63 months:		1.063	1.066	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					23,604,567
1994				25,028,212	25,054,150
1995			25,454,679	25,591,758	25,606,118
1996		25,177,214	25,648,994	25,799,901	25,851,391
1997	20,789,872	24,689,609	25,219,515	25,376,287	25,361,913
1998	18,800,056	22,219,399	22,634,772	22,750,024	22,785,514
1999	18,041,034	21,469,238	21,818,692	22,032,472	22,054,943
2000	17,971,442	20,968,603	21,483,008	21,662,681	21,670,310
2001	17,978,561	21,060,858	21,480,419	21,571,134	21,636,503
2002	20,910,182	24,250,846	24,714,251	24,900,104	24,945,909
2003	21,349,818	24,815,033	25,233,766	25,374,628	
2004	22,269,929	25,925,842	27,094,917		
2005	22,209,375	25,331,650			
2006	23,184,512				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.005	1.001
1996		1.019	1.006	1.002
1997	1.188	1.021	1.006	0.999
1998	1.182	1.019	1.005	1.002
1999	1.190	1.016	1.010	1.001
2000	1.167	1.025	1.008	1.000
2001	1.171	1.020	1.004	1.003
2002	1.160	1.019	1.008	1.002
2003	1.162	1.017	1.006	
2004	1.164	1.045		
2005	1.141			

Five Year Average	1.160	1.025	1.007	1.002
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Three Year Average	1.156	1.027	1.006	1.002
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Five Year Three Year

39 to 63 months:	1.009	1.008
27 to 63 months:	1.034	1.035
15 to 63 months:	1.199	1.196

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					206,916,210
1994				233,331,500	231,454,363
1995			228,518,512	229,930,990	228,709,369
1996		233,367,821	235,462,195	236,132,748	235,201,463
1997	223,031,412	233,438,810	235,883,068	235,598,697	235,812,089
1998	206,565,579	219,645,169	222,463,014	224,642,482	224,685,651
1999	205,887,660	218,424,231	222,979,961	225,159,783	225,604,890
2000	196,381,049	215,263,562	220,208,932	222,577,473	222,958,073
2001	201,389,100	218,201,822	224,336,154	227,922,447	227,957,646
2002	215,250,172	236,983,491	247,518,638	248,501,578	246,726,652
2003	232,679,660	261,971,315	271,616,183	274,368,834	
2004	248,338,211	273,629,061	284,259,798		
2005	244,328,393	269,837,289			
2006	250,273,017				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.992
1995			1.006	0.995
1996		1.009	1.003	0.996
1997	1.047	1.010	0.999	1.001
1998	1.063	1.013	1.010	1.000
1999	1.061	1.021	1.010	1.002
2000	1.096	1.023	1.011	1.002
2001	1.083	1.028	1.016	1.000
2002	1.101	1.044	1.004	0.993
2003	1.126	1.037	1.010	
2004	1.102	1.039		
2005	1.104			

Five Year Average	1.103	1.034	1.010	0.999
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Three Year Average	1.111	1.040	1.010	0.998
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	Five Year	Three Year
39 to 63 months:	1.009	1.008
27 to 63 months:	1.043	1.048
15 to 63 months:	1.150	1.164

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Ceded Only				
Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,825,115
1994				128,209,521	128,115,751
1995			142,135,035	142,123,346	142,108,158
1996		164,568,500	165,165,969	165,275,086	165,180,483
1997	164,735,209	167,004,182	167,306,180	167,296,545	167,273,880
1998	162,308,777	164,728,613	164,858,336	164,939,091	165,046,763
1999	169,379,308	173,241,702	174,050,519	174,349,873	174,303,618
2000	171,965,422	175,155,929	176,144,591	176,251,934	176,153,083
2001	174,737,622	178,432,361	178,835,194	178,971,419	178,785,419
2002	184,912,446	188,623,941	189,244,017	189,558,236	189,290,814
2003	197,382,473	202,333,093	203,179,529	202,436,763	
2004	200,713,883	206,889,729	213,601,416		
2005	207,964,849	212,977,664			
2006	212,646,023				

Loss Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		1.004	1.001	0.999
1997	1.014	1.002	1.000	1.000
1998	1.015	1.001	1.000	1.001
1999	1.023	1.005	1.002	1.000
2000	1.019	1.006	1.001	0.999
2001	1.021	1.002	1.001	0.999
2002	1.020	1.003	1.002	0.999
2003	1.025	1.004	0.996	
2004	1.031	1.032		
2005	1.024			

Five Year Average	1.024	1.009	1.000	1.000
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Three Year Average	1.027	1.013	1.000	0.999
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	Five Year	Three Year
39 to 63 months:	1.000	0.999
27 to 63 months:	1.009	1.012
15 to 63 months:	1.033	1.039

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers	Ceded Only				
Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					23,630,626
1994				25,086,747	25,074,544
1995			25,648,559	25,661,644	25,652,374
1996		25,686,731	25,781,579	25,862,504	25,867,677
1997	24,548,467	25,134,101	25,370,242	25,411,387	25,374,700
1998	21,923,581	22,740,435	22,742,159	22,790,601	22,809,876
1999	21,229,796	21,958,458	21,973,012	22,066,630	22,062,956
2000	20,729,329	21,331,128	21,665,352	21,700,655	21,684,210
2001	20,650,857	21,561,388	21,642,458	21,638,115	21,655,362
2002	23,863,381	24,721,670	24,918,855	24,949,278	24,983,000
2003	24,446,885	25,192,828	25,312,065	25,405,917	
2004	25,197,147	26,330,797	27,237,339		
2005	24,696,848	25,703,310			
2006	26,047,665				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.004	1.003	1.000
1997	1.024	1.009	1.002	0.999
1998	1.037	1.000	1.002	1.001
1999	1.034	1.001	1.004	1.000
2000	1.029	1.016	1.002	0.999
2001	1.044	1.004	1.000	1.001
2002	1.036	1.008	1.001	1.001
2003	1.031	1.005	1.004	
2004	1.045	1.034		
2005	1.041			
Five Year Average	1.039	1.013	1.002	1.000
Three Year Average	1.039	1.016	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.015	1.018	
15 to 63 months:		1.055	1.058	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					192,223,320
1994				214,862,522	212,876,748
1995			210,810,908	211,795,604	210,556,254
1996		217,211,810	216,967,622	217,602,631	217,209,237
1997	211,627,542	218,412,337	220,339,650	219,645,245	220,344,356
1998	195,650,902	205,674,358	207,607,917	208,743,809	208,716,833
1999	196,309,996	206,166,123	208,393,001	209,685,094	210,024,688
2000	186,546,494	200,512,528	203,481,534	205,369,330	206,021,117
2001	187,225,613	197,058,436	200,406,820	203,252,699	202,943,496
2002	204,396,971	221,699,155	229,021,583	231,712,664	230,239,155
2003	219,972,271	242,908,169	250,945,100	253,565,651	
2004	232,321,218	253,194,667	262,099,282		
2005	226,414,016	247,137,063			
2006	229,408,467				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.991
1995			1.005	0.994
1996		0.999	1.003	0.998
1997	1.032	1.009	0.997	1.003
1998	1.051	1.009	1.005	1.000
1999	1.050	1.011	1.006	1.002
2000	1.075	1.015	1.009	1.003
2001	1.053	1.017	1.014	0.998
2002	1.085	1.033	1.012	0.994
2003	1.104	1.033	1.010	
2004	1.090	1.035		
2005	1.092			

Five Year Average 1.085 1.027 1.010 0.999

Three Year Average 1.095 1.034 1.012 0.998

Five Year Three Year

39 to 63 months: 1.009 1.010
 27 to 63 months: 1.036 1.044
 15 to 63 months: 1.124 1.143

(a) Losses are on a 30/60 level for 2002-2006.
 Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Carriers

Ceded Only

Property Damage Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					107,380,745
1994				127,271,879	127,237,320
1995			140,420,439	140,477,803	140,460,539
1996		162,546,081	162,936,394	162,986,806	162,977,673
1997	162,535,050	164,517,977	164,737,946	164,773,858	164,765,181
1998	159,721,829	161,733,446	162,118,359	162,150,485	162,268,157
1999	165,757,986	169,929,612	170,680,939	171,015,760	170,984,689
2000	169,085,669	172,294,748	173,274,071	173,280,365	173,225,507
2001	169,875,643	173,553,538	173,838,983	174,089,757	173,817,993
2002	184,271,506	187,863,111	188,515,113	188,859,187	188,596,145
2003	196,601,286	201,661,507	202,507,621	201,743,011	
2004	199,707,863	205,894,813	212,575,880		
2005	206,998,720	212,021,149			
2006	211,613,142				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.000	1.000
1997	1.012	1.001	1.000	1.000
1998	1.013	1.002	1.000	1.001
1999	1.025	1.004	1.002	1.000
2000	1.019	1.006	1.000	1.000
2001	1.022	1.002	1.001	0.998
2002	1.019	1.003	1.002	0.999
2003	1.026	1.004	0.996	
2004	1.031	1.032		
2005	1.024			

Five Year Average 1.024 1.009 1.000 1.000

Three Year Average 1.027 1.013 1.000 0.999

Five Year Three Year

39 to 63 months: 1.000 0.999
 27 to 63 months: 1.009 1.012
 15 to 63 months: 1.033 1.039

(a) Losses are on a \$25,000 level for 2002-2006.
 Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					28,240
1994				35,440	35,841
1995			36,716	37,835	38,143
1996		36,894	39,659	40,836	41,218
1997	26,942	36,944	39,389	40,576	40,965
1998	25,384	34,420	36,925	38,125	38,525
1999	24,897	34,561	37,200	38,446	38,848
2000	23,775	32,731	35,176	36,296	36,621
2001	22,980	31,619	33,759	34,860	35,183
2002	24,397	33,258	35,831	37,025	36,876
2003	25,045	34,384	37,005	38,013	
2004	26,159	35,552	38,924		
2005	25,931	34,564			
2006	25,826				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.011
1995			1.030	1.008
1996		1.075	1.030	1.009
1997	1.371	1.066	1.030	1.010
1998	1.356	1.073	1.032	1.010
1999	1.388	1.076	1.033	1.010
2000	1.377	1.075	1.032	1.009
2001	1.376	1.068	1.033	1.009
2002	1.363	1.077	1.033	0.996
2003	1.373	1.076	1.027	
2004	1.359	1.095		
2005	1.333			
Five Year Average	1.361	1.078	1.032	1.007
Three Year Average	1.355	1.083	1.031	1.005
		Five Year	Three Year	
39 to 63 months:		1.039	1.036	
27 to 63 months:		1.120	1.122	
15 to 63 months:		1.524	1.520	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Ceded Only

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					58,463
1994				70,874	70,901
1995			75,089	75,169	75,194
1996		81,640	81,998	82,151	82,176
1997	78,944	81,332	81,631	81,732	81,748
1998	76,509	78,803	79,176	79,262	79,308
1999	76,753	80,051	80,409	80,606	80,624
2000	74,674	77,069	77,628	77,701	77,719
2001	74,519	77,098	77,344	77,419	77,448
2002	77,834	80,381	80,677	80,883	80,743
2003	87,316	90,166	90,512	90,071	
2004	91,524	94,326	97,326		
2005	92,753	95,104			
2006	89,866				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.004	1.002	1.000
1997	1.030	1.004	1.001	1.000
1998	1.030	1.005	1.001	1.001
1999	1.043	1.004	1.002	1.000
2000	1.032	1.007	1.001	1.000
2001	1.035	1.003	1.001	1.000
2002	1.033	1.004	1.003	0.998
2003	1.033	1.004	0.995	
2004	1.031	1.032		
2005	1.025			

Five Year Average	1.031	1.010	1.000	1.000
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Three Year Average	1.030	1.013	1.000	0.999
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	Five Year	Three Year
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39 to 63 months:	1.000	0.999
27 to 63 months:	1.010	1.012
15 to 63 months:	1.041	1.042

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Ceded Only				
Medical Payments Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					20,969
1994				24,879	24,890
1995			25,815	25,942	25,959
1996		26,301	26,705	26,838	26,882
1997	21,602	25,302	25,707	25,828	25,845
1998	19,438	22,663	23,009	23,101	23,125
1999	18,261	21,392	21,759	21,939	21,965
2000	17,302	19,925	20,339	20,448	20,458
2001	16,847	19,301	19,575	19,658	19,687
2002	18,456	21,012	21,329	21,461	21,473
2003	18,066	20,715	21,069	21,154	
2004	18,092	20,664	21,431		
2005	18,512	20,932			
2006	18,976				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.005	1.001
1996		1.015	1.005	1.002
1997	1.171	1.016	1.005	1.001
1998	1.166	1.015	1.004	1.001
1999	1.171	1.017	1.008	1.001
2000	1.152	1.021	1.005	1.000
2001	1.146	1.014	1.004	1.001
2002	1.138	1.015	1.006	1.001
2003	1.147	1.017	1.004	
2004	1.142	1.037		
2005	1.131			

Five Year Average	1.141	1.021	1.005	1.001
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Three Year Average	1.140	1.023	1.005	1.001
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Five Year	Three Year
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39 to 63 months:	1.006	1.006
27 to 63 months:	1.027	1.029
15 to 63 months:	1.172	1.173

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					28,468
1994				36,189	36,045
1995			38,351	38,363	38,301
1996		41,266	41,368	41,530	41,450
1997	41,260	41,138	41,319	41,292	41,250
1998	39,005	38,775	38,797	38,914	38,778
1999	38,986	38,853	39,282	39,205	39,107
2000	36,838	37,200	37,022	36,976	36,882
2001	37,219	35,853	35,621	35,599	35,409
2002	39,356	38,134	37,913	37,765	37,126
2003	40,975	39,387	39,113	38,787	
2004	41,989	40,817	40,850		
2005	40,751	39,204			
2006	40,069				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.996
1995			1.000	0.998
1996		1.002	1.004	0.998
1997	0.997	1.004	0.999	0.999
1998	0.994	1.001	1.003	0.997
1999	0.997	1.011	0.998	0.998
2000	1.010	0.995	0.999	0.997
2001	0.963	0.994	0.999	0.995
2002	0.969	0.994	0.996	0.983
2003	0.961	0.993	0.992	
2004	0.972	1.001		
2005	0.962			
Five Year Average	0.965	0.995	0.997	0.994
Three Year Average	0.965	0.996	0.996	0.992
		Five Year	Three Year	
39 to 63 months:		0.991	0.988	
27 to 63 months:		0.986	0.984	
15 to 63 months:		0.951	0.950	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					58,493
1994				70,934	70,917
1995			75,189	75,196	75,203
1996		81,912	82,096	82,192	82,188
1997	80,631	81,567	81,726	81,761	81,763
1998	78,316	79,137	79,269	79,297	79,318
1999	79,054	80,677	80,528	80,656	80,655
2000	76,483	77,446	77,837	77,841	77,817
2001	76,336	77,480	77,559	77,596	77,459
2002	79,895	80,685	80,821	80,918	80,751
2003	89,550	90,345	90,578	90,101	
2004	93,265	94,590	97,387		
2005	94,190	95,253			
2006	91,277				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.001	1.000
1997	1.012	1.002	1.000	1.000
1998	1.010	1.002	1.000	1.000
1999	1.021	0.998	1.002	1.000
2000	1.013	1.005	1.000	1.000
2001	1.015	1.001	1.000	0.998
2002	1.010	1.002	1.001	0.998
2003	1.009	1.003	0.995	
2004	1.014	1.030		
2005	1.011			

Five Year Average 1.012 1.008 1.000 0.999

Three Year Average 1.011 1.012 0.999 0.999

Five Year Three Year

39 to 63 months: 0.999 0.998
27 to 63 months: 1.007 1.010
15 to 63 months: 1.019 1.021

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Ceded Only				
Medical Payments Incurred Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					20,992
1994				24,938	24,913
1995			25,938	25,970	25,970
1996		26,686	26,829	26,889	26,896
1997	24,745	25,650	25,859	25,859	25,857
1998	22,385	23,167	23,099	23,146	23,140
1999	21,292	21,826	21,903	21,977	21,975
2000	19,804	20,291	20,448	20,497	20,484
2001	19,334	19,651	19,696	19,703	19,698
2002	21,431	21,476	21,482	21,496	21,493
2003	20,948	21,045	21,150	21,183	
2004	20,951	21,006	21,546		
2005	21,081	21,263			
2006	21,717				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.001	1.000
1996		1.005	1.002	1.000
1997	1.037	1.008	1.000	1.000
1998	1.035	0.997	1.002	1.000
1999	1.025	1.004	1.003	1.000
2000	1.025	1.008	1.002	0.999
2001	1.016	1.002	1.000	1.000
2002	1.002	1.000	1.001	1.000
2003	1.005	1.005	1.002	
2004	1.003	1.026		
2005	1.009			

Five Year Average	1.007	1.008	1.002	1.000
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Three Year Average	1.006	1.010	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.002	1.001
27 to 63 months:	1.010	1.011
15 to 63 months:	1.017	1.017

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			1,635
1996		4,372	1,709
1997	14,318	4,194	1,930
1998	13,621	4,355	1,872
1999	14,089	4,292	2,082
2000	13,063	4,469	1,846
2001	14,239	4,234	1,862
2002	14,959	4,876	2,082
2003	15,930	5,003	2,108
2004	15,830	5,265	1,926
2005	14,820	4,640	
2006	14,243		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.391
1997	0.293	0.460
1998	0.320	0.430
1999	0.305	0.485
2000	0.342	0.413
2001	0.297	0.440
2002	0.326	0.427
2003	0.314	0.421
2004	0.333	0.366
2005	0.313	
Five Year Average	0.317	0.413
Three Year Average	0.320	0.405
	Five Year	Three Year
27 to 39 months:	0.413	0.405
15 to 39 months:	0.131	0.130

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers Ceded Only

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			100
1996		272	98
1997	1,687	235	95
1998	1,807	334	93
1999	2,301	626	119
2000	1,809	377	209
2001	1,817	382	215
2002	2,061	304	144
2003	2,234	179	66
2004	1,741	264	61
2005	1,437	149	
2006	1,411		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.360
1997	0.139	0.404
1998	0.185	0.278
1999	0.272	0.190
2000	0.208	0.554
2001	0.210	0.563
2002	0.148	0.474
2003	0.080	0.369
2004	0.152	0.231
2005	0.104	
Five Year Average		
	0.139	0.438
Three Year Average		
	0.112	0.358
Five Year		
Three Year		
27 to 39 months:	0.438	0.358
15 to 39 months:	0.061	0.040

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			123
1996		385	124
1997	3,143	348	152
1998	2,947	504	90
1999	3,031	434	144
2000	2,502	366	109
2001	2,487	350	121
2002	2,975	464	153
2003	2,882	330	81
2004	2,859	342	115
2005	2,569	331	
2006	2,741		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.322
1997	0.111	0.437
1998	0.171	0.179
1999	0.143	0.332
2000	0.146	0.298
2001	0.141	0.346
2002	0.156	0.330
2003	0.115	0.245
2004	0.120	0.336
2005	0.129	
Five Year Average	0.132	0.311
Three Year Average	0.121	0.304
	Five Year	Three Year
27 to 39 months:	0.311	0.304
15 to 39 months:	0.041	0.037

Exhibit (3) (i)
Exhibit (7) (c)

Responses provided in connection with items (3) (i) and (7) (c) are enclosed herewith.



Steven D. Armstrong
Senior Actuary, F.C.A.S.,
M.A.A.A.

December 12, 2007

F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau

Dear Tim,

Included below are Allstate Insurance Company's responses to issues regarding reserve strengthening and expense cutting initiatives for the Allstate Insurance Company and Allstate Indemnity Company Private Passenger Non-Fleet Auto Programs in North Carolina.

With respect to 11 N.C.A.C. 10.1104 (3) (i), which states,

For each of the fifteen largest writers of private passenger automobile insurance in North Carolina, a statement regarding any reserve strengthening or weakening that has occurred in the last five years shall be included.

Allstate's response to this is that there have been **no** material changes with regard to Allstate's reserving practices of private passenger automobile insurance in the state of North Carolina over the past five years.

With respect to 11 N.C.A.C. 10.1104 (7) (c), which states,

For each of the ten largest writers of private passenger automobile insurance in North Carolina, statements regarding any expense cutting activities undertaken in the last five years shall be provided.

Allstate did not make any material expense-cutting changes in 2007. However, as noted in last year's response, dated November 29, 2006:

In early 2006, Allstate undertook an expense-saving initiative that was intended to reduce the size of Allstate's workforce and thus reduce salary expenses. For purposes of ratemaking, Allstate has reduced its General Expense provision – which includes the charge for salaries – by the amount of anticipated salary savings.

Tim Lucas
December 4, 2007
Page 2

The last expense cutting initiative prior to 2006 affected the 2003 data (as responded to in a letter dated December 5th, 2003). Included here is that response from that December 5th letter:

Allstate's response to this is that there have been some structural changes in North Carolina, and indeed around the country, to close claims offices. The result of the closing of these claims offices is a reduction in unallocated loss adjustment expenses due to the reduction of staff and elimination of operational expenses incurred at these claims offices. For purposes of ratemaking, Allstate uses a countrywide provision to account for unallocated loss adjustment expenses. Given this, the unallocated loss adjustment expense provision from last year may be slightly overstated. These measures in closing claims offices were more intended to increase efficiency rather than cut costs. For these reasons, Allstate wants to make the North Carolina Rate Bureau aware of its actions with the understanding that Allstate does not think that it will have any measurable impact on the ratemaking data submitted by Allstate.

Please contact me if you have any questions or require further details.

Sincerely,

Steven D. Armstrong
F.C.A.S, M.A.A.A
sarm2@allstate.com
1-800-366-2958 x23994



Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530 • 814.870.2000
Toll free 1.800.458.0811 • Fax 814.870.3126 • www.erieinsurance.com

Kevin L. Russell,
Supervisor,
Commercial Pricing II and Reserving
Erie Insurance Group
100 Erie Insurance Place
Erie, Pennsylvania 16530
Telephone (814)870-3395
Fax (814)870-4383
Kevin.russell@erieinsurance.com

Nov 30, 2007

To: Debbie Spence
Support Assistant III
North Carolina Rate Bureau
Raleigh NC 27619-6010
Telephone: (919) 582-1023
Fax: (919) 719-7402

Re: Reserve Strengthening

The Erie Insurance Group began implementing Colossus and the Soft Tissue Evaluation program in 1998-1999 in order to establish more accurate case reserves. We continued with these claims initiatives in 2007, and so the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2007 has not changed materially from the criteria used over the latest five years. The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Relative case reserve adequacy levels appear to be quite consistent over the last three to five years.

Sincerely,



Kevin L. Russell, FCAS, MAAA



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2008

Mr. Tim Lucas
North Carolina Rate Bureau
Box 176010
Raleigh, North Carolina 27619-6010

RE: Government Employees Insurance Company- Bureau Letter Asking for
Reserve Strengthening and Expense Control Information

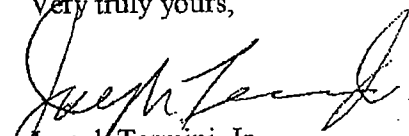
Dear Mr. Lucas:

The GEICO Companies did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at the GEICO companies and for that reason, GEICO believes that its historical experience is an appropriate basis for determining the expense provisions in your rate calculations and that no special adjustments are necessary.

The criteria used by Government Employees Insurance Company in North Carolina for establishing case basis reserves for the accident year ended December 31, 2006 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,



Joseph Termini, Jr.,
Senior Counsel
478-744-5705

December 18, 2007

Mr. Tim Lucas
Personal Lines Manager
North Carolina Rate Bureau
PO Box 176010
Raleigh, NC 27619

Re: NCRB request regarding Insurance Department Regulations for Integon National Insurance Company

Dear Tim:

Per your request, we are responding as follows:

Statement Concerning Reserve Strengthening Activities Over The Past Five Years:

All of the Integon companies, including Integon National Insurance Company, use a formula-based reserving system to establish reserves for claims with expected settlements under \$50,000. For claims with expected settlements in excess of \$50,000, the companies establish individual case reserves setup by knowledgeable claims personnel.

The formula reserve amounts have changed slightly over the past 5 years as trends have changed, but the amount of change has not been material. The criteria used for establishing both formula and case reserves have not changed materially over the past 5 years.

Statement Concerning Expense Cutting Activities Over The Past Five Years:

There has not been any recent expense cutting activities for the Integon National that would indicate a material change in future expense ratios. In the past 5 years, expense reduction activities have been largely offset by additional investments being made in various initiatives such as agency-related internet capabilities, consolidation of multiple policy reporting systems, various other information technology projects, and enhanced marketing initiatives. GMAC Insurance, including the Integon companies, remains expense competitive, and operates with an ongoing priority on spending controls.

Sincerely,

Art Lyon, CPCU
Executive Consultant

Kemper

A UNITRIN BUSINESS

National Headquarters
5210 Belfort Road
Suite 120
Jacksonville, FL 32256

December 10, 2007

North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

Re: Reserve Strengthening
11 N.C.A.C. 10.1104 (3) (g)
11 NCAC 10.1105 (7) (c)
Unitrin Auto and Home

Unitrin Auto and Home has not had any material changes (either strengthening or weakening) to case reserving practices within the last 5 years. Neither have we made any material changes to expense activities or service levels during the last 5 years.

Sincerely,
Amy G. Brown
Regional Product Manager
Kemper
904-245-5635
abrown@ekemper.com



Liberty Mutual Group

2875 Browns Bridge Road
Gainesville, GA 30504
Telephone: (770)536-8761

January 3, 2008

North Carolina Rate Bureau
Reinsurance Facility
F. Timothy Lucas
P.O. Box 176010
Raleigh, North Carolina 27619-6010

RE: Insurance Department Regulations

Dear Mr. Lucas:

I am writing in response to your letter of November 29, 2007.

This is to confirm that Liberty Mutual's personal lines automobile claims case reserving practices for losses in North Carolina have remained materially unchanged from 2005 to 2006. Our philosophy on establishing claim case reserves has been essentially and effectively the same for the period in question.

If I can be of any further assistance please do not hesitate to contact me at the above number.

Regards,

Erik S. McDowell
Regional Claims Manager

VIA EMAIL

November 29, 2007

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, NC 27609

Re: Statement of Expense Control and Reserve Strengthening or Weakening

Dear Mr. Lucas:

I am providing the following information concerning expense cutting activities and reserve strengthening for Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Nationwide Property & Casualty Company, and Nationwide Affinity Insurance Company of America.

Nationwide has begun a large scale integration process of its legacy systems. This involves consolidating some legacy systems and replacing others with more updated systems. This process is expected to take around five years. It will result in an expense savings once the integration effort is complete. However, there is expected to be a material increase in our general expense allocation during that time while the integration effort is taking place.

We have reported the following significant changes for reserve strengthening in prior years' statements. There are no additional material changes to reserves which have not been previously reported.

Issue 1 - Change in calendar year 2003

The process Nationwide uses for establishing BI case reserves changed in July 2003. These comments apply to reserves for claims in the first six months after the claim is reported. After the sixth month, case reserves apply exclusively, and there have been no changes in practices for case reserving. Also, case reserves are expected to be applied whenever the claim value is expected to be \$50,000 or higher (no change in this practice).

In July 2003, we changed our BI reserving process and replaced formula reserves with "average" reserves for the first six months after claim report. Now "average" reserve amounts by state are determined, and this amount applies to each open claim through the sixth month, after which the average is replaced with a case reserve.

The average reserve amounts are quite a bit larger (\$7,600 for retained, \$5,100 for ceded) than the previous initial formula reserve amounts (\$3,300). With the formula reserve process, we were spreading the initial average across all claims, including the claims that

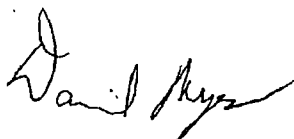
quickly closed without payment or with a very small payment. Once these zero or small amount claims were settled, the succeeding month's formula reserve amounts would increase. Overall, it appears that the early reserves were lower under the new average reserves than under the previous formula reserves, resulting in more upward development as claims were case reserved.

Issue 2 - Change in calendar year 2004

After converting from formula to average reserves for BI in 2003, we shortened the duration of average reserves in April 2004. Now, instead of applying for six months, they apply only for three, with case reserves applying at the end of the fourth month. That will affect some accident year 2003 claims that were reported in late 2003 or early 2004, as they are now case reserved earlier than they would have been before.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Daniel Myers". The signature is written in a cursive style with a large initial "D".

Daniel Myers, FCAS, MAAA
Pricing Manager
Standard Auto Product & Pricing
myersda@nationwide.com
(614) 249-5955



North Carolina Farm Bureau Insurance Group

Telephone 919-782-1705 • Post Office Box 27427 • Raleigh, NC 27611

December 13, 2007

Mr. Tim Lucas
N.C. Rate Bureau
5401 Six Forks Road
Raleigh, NC 27619-6010

RE: North Carolina Farm Bureau Mutual Insurance Company
Farm Bureau Insurance of N.C., Inc.
Insurance Department Regulations
North Carolina Personal Auto
Reserve Strengthening
Expense Cutting Activities

Tim:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

A handwritten signature in black ink that reads "Roger Batdorff". The signature is written in a cursive, somewhat stylized script.

Roger Batdorff
Senior Executive
Actuarial & Research, Financial/Investments

RB/cww

RECEIVED

DEC 14 2007

N.C. RATE BUREAU

December 10, 2007

North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

Attention: F. Timothy Lucas

The Progressive Companies have not changed the criteria for establishing case basis reserves for the accident year that will end December 31, 2007 in North Carolina.

The case reserves carried by The Progressive Companies are generally average reserves as determined by the Corporate Actuarial Area. An exception exists when an adjuster estimates that the case reserve for a particular claim needs to be greater than or equal to a predetermined threshold (\$75,000 for BI & UMBI claims and \$25,000 for most other coverages). Progressive carries the adjuster's estimate for these larger reserves. The average reserves vary by product, coverage, age of claim, and even cause of loss for the Comprehensive claims. They also vary by limit for Bodily Injury and UMBI claims. All averages may be adjusted each month based on an inflation factor.

The IBNR reserves are maintained between reviews utilizing an algorithm that establishes balances based on a factor applied to the Earned Premium. The factors vary by product, coverage and limit again for Bodily Injury and UMBI.

Progressive's actuarial area develops an indication of the needed reserves for North Carolina Bodily Injury (BI) coverage two times each year. During 2007 the North Carolina BI reviews were completed on the direct, ceded, and net business separately. The last review completed in 2007 was for Bodily Injury and included data evaluated through July 31, 2007. As a result of this review, the carried balance of \$32.0 million of direct loss reserves (\$24.6 million ceded & \$7.4 million net) were decreased by approximately \$0.5 million or 1.6% of the carried reserve as we are seeing favorable trends regarding the development of our carried case reserves. The loss reserves for all auto coverages are approximately \$37 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$2.0 million or 5.3%.

During 2007 Defense and Cost Containment (DCC) reserves for the Bodily Injury (BI) coverage was reviewed once in August with data through July 31, 2007. As a result of this review North Carolina direct BI DCC reserves of \$3.9 million were decreased by \$500,000 or 12.7%. This was the first time we reviewed the state's BI DCC reserves separately. The Adjusting and all Other expense (A&O) reserves were also reviewed for the state in total in August with data through July 31. The North Carolina direct A&O reserves of \$5.0 million were decreased by \$428,000 or 8.3%. The LAE reserves for all coverages for auto are approximately \$9.4 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$0.8 million or 9.0%.

Generally, there has not been a change to Progressive's objective regarding reserving and the process has been consistent for the past seven years in regard to loss

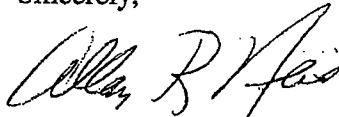
reserves while the reviews of LAE reserves have been enhanced in the last years incorporating North Carolina only data for our reserve reviews into the process.

For a discussion of Progressive's process in reviewing and changing reserve levels please review the "Report on Loss Reserving Practices" available under the Investor Relations section on Progressive's Web site, Progressive.com.

Progressive has undertaken modest expense cutting activities in the last year having the largest impact on Adjusting and all Other expenses for our private passenger non-fleet motor vehicle coverages. These changes will only modestly impact our anticipated expense levels in North Carolina.

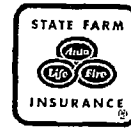
If you have any more questions please contact Al Neis, Corporate Actuary at (440) 395-2331.

Sincerely,



Allan R. Neis, FCAS, MAAA
Corporate Actuary

State Farm Mutual Automobile Insurance Company



Steve Harr, F.C.A.S., MAAA
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4
Bloomington, Illinois 61710
Phone: 309.766.3568
Fax: 309.766.5021
E-mail: steve.harr.bb5b@statefarm.com

December 12, 2007

Ms. Debbie Spence
Support Assistant III
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, NC 27609-4435

Dear Ms. Spence:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated November 29, 2007 requested two items required from the largest writers of liability and physical damage private passenger automobile insurance in North Carolina.

The first item concerned reserves. In response to your question, State Farm has not made any changes in the past five years that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm has long recognized that expense control is a key to remaining competitive in the insurance marketplace. It is important to note that expense control does not necessarily imply expense reduction. Attracting and retaining quality personnel, providing top-notch services and investing in technology may be just as important to a company's competitive position as a low price for the insurance product. In the end, it is through consumer forces in the marketplace that a balance is stricken between quality of service and price for those services.

It would be virtually impossible to fully describe all "expense cutting activities" (i.e., pre-sorting mail, recycling paper, reorganizing jobs, automating jobs, consolidating jobs, ordering supplies from a different vendor, providing new software to an underwriter, streamlining a claims procedure, redesigning a code sheet, improving the training courses, etc.). Expense control is a continuous and evolving function of managing our business. It is also difficult to describe the many investments we've made in our business that have put upward pressure on our expenses (i.e., establishing an Internet presence, updating our systems as new technology becomes available, etc.).

We are continuing our extensive review of every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers.

Because expense review is a continuing effort, we feel that no special adjustments are necessary for your rate calculation.

Sincerely,

Steve Harr
Actuary and Assistant Secretary-Treasurer

SH:kw



We know what it means to serve.™

INSURANCE • INVESTMENTS • BANKING • MEMBER SERVICES

December 10, 2007

Debbie Spence
North Carolina Rate Bureau
Fax: (919) 719-7402

RE: USAA Casualty Insurance Company
Insurance Department Regulations
North Carolina Automobile
Reserve Strengthening
Expense Cutting Activities

Ms. Spence:

Our company has not changed its procedures for setting case loss reserves over the last 5 years.

If I can be of further assistance, let me know. I can be reached at (210) 913-7202.

Lisa Sukow
Actuary
P&C Actuary

LS/das



We know what it means to serve.™

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December 10, 2007

Debbie Spence
North Carolina Rate Bureau
Fax: (919) 719-7402

RE: United Services Automobile Association
Insurance Department Regulations
North Carolina Automobile
Reserve Strengthening
Expense Cutting Activities

Ms. Spence:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know. I can be reached at (210) 913-7202.

Lisa Sukow
Actuary
P&C Actuary

LS/das

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

- (4) (a) See attached exhibits, Section D of RB-1 and pre-filed testimony of P. Woods and M. Miller.

The attached exhibits contain the trend data upon which the Automobile Committee based its trend recommendations to the Governing Committee of the Rate Bureau.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	5.0%	-4.0%	0.8%
Bodily Injury (T/L)	6.0%		
Property Damage	3.0%	-1.0%	2.0%
Medical Payments	2.0%	-2.5%	-0.6%
Uninsured Motorists			0.0%
Underinsured Motorists			7.0%
Comprehensive	0.0%	-2.0%	-2.0%
Collision	2.0%	1.0%	3.0%
<u>Expense Trend</u>			3.8%
<u>Symbol Trend</u>			
Comprehensive			1.0%
Collision			0.0%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2006 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2004	1.092	0.921	1.006	1.008	1.006
	2005	1.045	0.972	1.016	1.008	1.010
	2006	1.000	1.000	1.000	1.008	1.008
Property Damage	2004	1.055	0.959	1.012	1.020	1.014
	2005	1.041	0.984	1.024	1.020	1.021
	2006	1.000	1.000	1.000	1.020	1.020
Medical Payments	2004	1.030	0.908	0.935	0.994	0.983
	2005	1.015	0.967	0.982	0.994	0.991
	2006	1.000	1.000	1.000	0.994	0.994
Comprehensive	2004	1.008	0.826	0.833	0.980	0.953
	2005	0.992	0.955	0.947	0.980	0.972
	2006	1.000	1.000	1.000	0.980	0.980
Collision	2004	1.047	0.942	0.986	1.030	1.015
	2005	1.040	0.989	1.029	1.030	1.030
	2006	1.000	1.000	1.000	1.030	1.030

(a) 2004 Claim Cost Change = (2006 Claim Cost) / (2004 Claim Cost).
2005 Claim Cost Change = (2006 Claim Cost) / (2005 Claim Cost).

(b) 2004 Claim Frequency Change = (2006 Claim Frequency) / (2004 Claim Frequency). 2005 Claim Frequency Change = (2006 Claim Frequency) / (2005 Claim Frequency).

(c) Current Cost Factor = Column (2) * Column (3)

(d) Annualized Trend for 2004 and 2005

$$= [(COL(5))^m \times (COL(4))^{(1/n)}]$$

where m is the number of years of projection of the 2006 trend factor from 7/1/2006 to 7/12/2009, 3.03, Col (4) represents the Current Cost Factor to 7/1/2006, and n represents the number of years of projection for a given prior year, 4.03 for 2005 and 5.03 for 2004.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2004	\$ 6,410	1.51
	2005	6,697	1.43
	2006	7,001	1.39
Property Damage	2004	\$ 2,546	3.92
	2005	2,580	3.82
	2006	2,685	3.76
Medical Payments	2004	\$ 1,784	1.31
	2005	1,810	1.23
	2006	1,837	1.19
Comprehensive	2004	\$ 492	5.35
	2005	500	4.63
	2006	496	4.42
<u>C</u> ollision	2004	\$ 2,874	4.97
	2005	2,892	4.73
	2006	3,009	4.68

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages H-482 and H-484. Paid Claim Cost for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible and \$250 Deductible combined data, adjusted for catastrophe, as shown on pages H-491 through H-494. Paid Claim Cost for Collision is based on \$100, \$200, \$250, and \$500 Deductible combined, All Carrier data, as shown on pages H-503 through H-506.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data. Paid Claim Frequency for Comprehensive is ISO only Full Coverage, \$50 Deductible, \$100 Deductible and \$250 Deductible combined data, adjusted for catastrophe, as shown on pages H-495 through H-498. Paid Claim Frequency for Collision is based on \$100, \$200, \$250, and \$500 Deductible combined All Carrier data, as shown on pages H-507 through H-510.

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR		AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PCT. CHANGE FROM SAME QTR PRIOR YEAR
						PAID CLAIM FREQ.	LOSSES		LOSSES	PREMIUM		CLAIM FREQ.	PREMIUM	
3/2002	825,590	9,199	13,849	68,074,966	1.11	7,400	7,400	82,446	1.68	1.68	82,446	1.78	1.68	
6/2002	811,763	9,385	14,262	68,102,954	1.16	7,257	7,257	83,90	1.76	1.76	83,90	1.80	1.76	
9/2002	838,317	9,464	14,904	70,287,498	1.13	7,427	7,427	83,84	1.78	1.78	83,84	1.85	1.78	
12/2002	819,089	9,922	15,668	72,680,196	1.21	7,325	7,325	88,73	1.91	1.91	88,73	1.88	1.91	
3/2003	873,906	10,228	15,285	73,805,747	1.17	7,216	7,216	84,46	1.75	1.75	84,46	1.90	1.75	
6/2003	855,596	10,284	16,917	78,296,920	1.20	7,613	7,613	91,51	1.98	1.98	91,51	1.85	1.98	
9/2003	887,083	10,395	16,809	78,524,262	1.17	7,554	7,554	88,52	1.89	1.89	88,52	1.85	1.89	
12/2003	878,810	11,226	17,323	85,301,765	1.28	7,599	7,599	97,07	1.97	1.97	97,07	1.83	1.97	
3/2004	900,941	10,103	15,560	77,312,219	1.12	7,652	7,652	85,81	1.73	1.73	85,81	1.78	1.73	
6/2004	886,614	10,154	16,489	80,189,729	1.15	7,897	7,897	90,44	1.86	1.86	90,44	1.77	1.86	
9/2004	918,048	10,379	16,811	88,003,150	1.13	8,479	8,479	95,86	1.83	1.83	95,86	1.65	1.83	
12/2004	904,395	10,908	17,709	85,624,227	1.21	7,850	7,850	94,68	1.96	1.96	94,68	1.66	1.96	
3/2005	930,668	10,156	15,627	81,768,092	1.09	8,051	8,051	87,86	1.68	1.68	87,86	1.59	1.68	
6/2005	913,706	10,840	16,902	84,232,115	1.19	7,770	7,770	92,19	1.85	1.85	92,19	1.60	1.85	
9/2005	948,029	10,562	15,538	86,078,084	1.11	8,150	8,150	90,80	1.64	1.64	90,80	1.59	1.64	
12/2005	947,490	10,932	16,770	90,392,766	1.15	8,269	8,269	95,40	1.77	1.77	95,40	1.59	1.77	
3/2006	967,782	10,499	15,995	87,961,369	1.08	8,378	8,378	90,89	1.65	1.65	90,89	1.59	1.65	
6/2006	967,050	10,267	16,076	85,943,517	1.06	8,371	8,371	88,87	1.66	1.66	88,87	1.59	1.66	
9/2006	978,778	9,931	15,558	100,657,442	1.01	10,136	10,136	102,84	1.59	1.59	102,84	1.59	1.59	
12/2006	976,386	11,251	17,949	97,876,125	1.15	8,699	8,699	100,24	1.84	1.84	100,24	1.59	1.84	
3/2007	1,001,860	10,394	16,023	93,103,345	1.04	8,957	8,957	92,93	1.60	1.60	92,93	1.59	1.60	
6/2007	1,005,697	10,834	16,007	103,762,359	1.08	9,577	9,577	103,17	1.59	1.59	103,17	1.59	1.59	
4 QTRS ENDING														
12/2002	3,294,759	37,970	58,683	279,145,614	1.15	7,352	7,352	84,72	1.78	1.78	84,72	1.80	1.78	
3/2003	3,343,075	38,999	60,119	284,876,395	1.17	7,305	7,305	85,21	1.80	1.80	85,21	1.85	1.80	
6/2003	3,386,908	39,898	62,774	295,070,361	1.18	7,396	7,396	87,12	1.85	1.85	87,12	1.88	1.85	
9/2003	3,435,674	40,829	64,679	303,307,125	1.19	7,429	7,429	88,28	1.88	1.88	88,28	1.90	1.88	
12/2003	3,495,395	42,133	66,334	315,928,694	1.21	7,498	7,498	90,38	1.90	1.90	90,38	1.88	1.90	
3/2004	3,522,430	42,008	66,609	319,435,166	1.19	7,604	7,604	90,69	1.89	1.89	90,69	1.85	1.89	
6/2004	3,553,448	41,878	66,181	321,327,975	1.18	7,673	7,673	90,43	1.86	1.86	90,43	1.85	1.86	
9/2004	3,584,413	41,862	66,183	330,806,863	1.17	7,902	7,902	92,29	1.85	1.85	92,29	1.84	1.85	
12/2004	3,609,998	41,544	66,569	331,129,325	1.15	7,971	7,971	91,73	1.84	1.84	91,73	1.83	1.84	
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	8,068	8,068	92,20	1.83	1.83	92,20	1.83	1.83	
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	8,032	8,032	92,62	1.83	1.83	92,62	1.78	1.83	
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	7,952	7,952	91,35	1.78	1.78	91,35	1.78	1.78	
12/2005	3,739,893	42,490	64,837	342,471,057	1.14	8,060	8,060	91,57	1.73	1.73	91,57	1.73	1.73	
3/2006	3,777,007	42,833	65,205	348,664,334	1.13	8,140	8,140	92,31	1.73	1.73	92,31	1.73	1.73	
6/2006	3,830,351	42,260	64,379	350,375,736	1.10	8,291	8,291	91,47	1.68	1.68	91,47	1.68	1.68	
9/2006	3,861,100	41,629	64,399	364,955,094	1.08	8,767	8,767	94,52	1.67	1.67	94,52	1.67	1.67	
12/2006	3,889,996	41,948	65,578	372,438,453	1.08	8,879	8,879	95,74	1.69	1.69	95,74	1.67	1.69	
3/2007	3,924,074	41,843	65,606	377,580,429	1.07	9,024	9,024	96,22	1.67	1.67	96,22	1.67	1.67	
6/2007	3,962,721	42,410	65,537	395,599,271	1.07	9,323	9,323	99,78	1.65	1.65	99,78	1.65	1.65	
ANNUAL RATE OF CHANGE (19 PT.)					-2.3	5.1	5.1	2.6	-2.7	-2.7	2.6	-2.7	-2.7	
ANNUAL RATE OF CHANGE (12 PT.)					-3.4	6.0	6.0	2.4	-4.5	-4.5	2.4	-4.5	-4.5	
ANNUAL RATE OF CHANGE (9 PT.)					-4.3	8.6	8.6	3.8	-4.5	-4.5	3.8	-4.5	-4.5	
ANNUAL RATE OF CHANGE (6 PT.)					-4.0	11.4	11.4	6.5	-2.7	-2.7	6.5	-2.7	-2.7	

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2002	825,590	28,356	69,379,031	3.43		2,447		84.04	
6/2002	811,763	27,575	67,896,818	3.40		2,462		83.64	
9/2002	838,317	28,348	70,075,204	3.38		2,472		83.59	
12/2002	819,089	28,326	70,503,157	3.46		2,489		86.08	
3/2003	873,906	30,199	75,576,755	3.46	0.9	2,503	2.3	86.48	2.9
6/2003	855,596	30,470	75,069,250	3.56	4.7	2,464	0.1	87.74	4.9
9/2003	887,083	31,475	79,643,376	3.55	5.0	2,530	2.3	89.78	7.4
12/2003	878,810	31,620	78,747,460	3.60	4.0	2,490	0.0	89.61	4.1
3/2004	900,941	32,057	80,152,461	3.56	2.9	2,500	-0.1	88.97	2.9
6/2004	886,614	31,752	77,846,998	3.58	0.6	2,452	-0.5	87.80	0.1
9/2004	918,048	31,884	79,635,237	3.47	-2.3	2,498	-1.3	86.74	-3.4
12/2004	904,395	31,679	82,286,098	3.50	-2.8	2,597	4.3	90.98	1.5
3/2005	930,668	32,810	82,757,616	3.53	-0.8	2,522	0.9	88.92	-0.1
6/2005	913,706	32,809	81,347,592	3.59	0.3	2,479	1.1	89.03	1.4
9/2005	948,029	32,320	80,874,496	3.41	-1.7	2,502	0.2	85.31	-1.6
12/2005	947,490	30,682	80,033,753	3.24	-7.4	2,608	0.4	84.47	-7.2
3/2006	967,782	33,240	87,138,025	3.43	-2.8	2,621	3.9	90.04	1.3
6/2006	967,050	31,012	81,682,371	3.21	-10.6	2,634	6.3	84.47	-5.1
9/2006	978,778	31,871	84,011,271	3.26	-4.4	2,636	5.4	85.83	0.6
12/2006	976,386	34,410	90,141,112	3.52	8.6	2,620	0.5	92.32	9.3
3/2007	1,001,860	34,420	94,035,125	3.44	0.3	2,732	4.2	93.86	4.2
6/2007	1,005,697	33,826	88,249,049	3.36	4.7	2,609	-0.9	87.75	3.9
4 QTRS ENDING									
12/2002	3,294,759	112,605	277,854,210	3.42		2,468		84.33	
3/2003	3,343,075	114,448	284,051,934	3.42		2,482		84.97	
6/2003	3,386,908	117,343	291,224,366	3.46		2,482		85.99	
9/2003	3,435,674	120,470	300,792,538	3.51		2,497		87.55	
12/2003	3,495,395	123,764	309,036,841	3.54	3.5	2,497	1.2	88.41	4.8
3/2004	3,522,430	125,622	313,612,547	3.57	4.4	2,496	0.6	89.03	4.8
6/2004	3,553,448	126,904	316,390,295	3.57	3.2	2,493	0.4	89.04	3.5
9/2004	3,584,413	127,313	316,382,156	3.55	1.1	2,485	-0.5	88.27	0.8
12/2004	3,609,998	127,372	319,920,794	3.53	-0.3	2,512	0.6	88.62	0.2
3/2005	3,639,725	128,125	322,525,949	3.52	-1.4	2,517	0.8	88.61	-0.5
6/2005	3,666,817	129,182	326,026,543	3.52	-1.4	2,524	1.2	88.91	-0.1
9/2005	3,696,798	129,618	327,265,802	3.51	-1.1	2,525	1.6	88.53	0.3
12/2005	3,739,893	128,621	325,013,457	3.44	-2.5	2,527	0.6	86.90	-1.9
3/2006	3,777,007	129,051	329,393,866	3.42	-2.8	2,552	1.4	87.21	-1.6
6/2006	3,830,351	127,254	329,728,645	3.32	-5.7	2,591	2.7	86.08	-3.2
9/2006	3,861,100	126,805	332,865,420	3.28	-6.6	2,625	4.0	86.21	-2.6
12/2006	3,889,996	130,533	342,972,779	3.36	-2.3	2,627	4.0	88.17	1.5
3/2007	3,924,074	131,713	349,869,879	3.36	-1.8	2,656	4.1	89.16	2.2
6/2007	3,962,721	134,527	356,436,557	3.39	2.1	2,650	2.3	89.95	4.5
ANNUAL RATE OF CHANGE (19 PT.)				-1.0		1.6		0.5	
ANNUAL RATE OF CHANGE (12 PT.)				-2.5		2.5		-0.0	
ANNUAL RATE OF CHANGE (9 PT.)				-2.4		3.1		0.6	
ANNUAL RATE OF CHANGE (6 PT.)				0.2		3.1		3.3	

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR		AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR	
					FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR						
3/2002	712,681	48,152	39,040,787	6.76	811		54.78			54.78		
6/2002	698,264	51,449	38,086,368	7.37	740		54.54			54.54		
9/2002	718,812	53,068	40,448,072	7.38	762		56.27			56.27		
12/2002	702,466	53,161	51,937,502	7.57	977		73.94			73.94		
3/2003	715,830	56,700	52,104,154	7.92	919	13.3	72.79	13.3		72.79	32.9	
6/2003	699,122	62,975	62,339,252	9.01	990	22.3	89.17	33.8		89.17	63.5	
9/2003	720,953	56,613	47,825,246	7.85	845	6.4	66.34	10.9		66.34	17.9	
12/2003	713,550	51,479	52,835,246	7.21	1,026	-4.8	74.05	5.0		74.05	0.1	
3/2004	728,152	51,766	40,110,742	7.11	775	-10.2	55.09	-15.7		55.09	-24.3	
6/2004	715,786	50,690	34,215,204	7.08	675	-21.4	47.80	-31.8		47.80	-46.4	
9/2004	740,390	51,051	42,297,023	6.90	829	-12.1	57.13	-1.9		57.13	-13.9	
12/2004	729,443	47,307	43,164,079	6.49	912	-10.0	59.17	-11.1		59.17	-20.1	
3/2005	747,765	44,591	37,114,977	5.96	832	-16.2	49.63	7.4		49.63	-9.9	
6/2005	733,425	47,932	34,436,282	6.54	718	-7.6	46.95	6.4		46.95	-1.8	
9/2005	759,618	48,718	36,559,842	6.41	750	-7.1	48.13	-9.5		48.13	-15.8	
12/2005	756,835	44,717	44,533,512	5.91	996	-8.9	58.84	9.2		58.84	-0.6	
3/2006	770,973	44,465	39,136,446	5.77	880	-3.2	50.76	5.8		50.76	2.3	
6/2006	770,628	50,978	45,168,629	6.62	886	1.2	58.61	23.4		58.61	24.8	
9/2006	782,597	50,014	43,779,881	6.39	875	-0.3	55.94	16.7		55.94	16.2	
12/2006	783,213	46,642	48,074,184	5.96	1,031	0.8	61.38	3.5		61.38	4.3	
3/2007	801,622	43,842	41,362,862	5.47	943	-5.2	51.60	7.2		51.60	1.7	
6/2007	805,613	49,673	42,773,341	6.17	861	-6.8	53.09	-2.8		53.09	-9.4	
4 QTRS ENDING												
12/2002	2,832,223	205,830	169,512,729	7.27	824		59.85			59.85		
3/2003	2,835,372	214,378	182,576,096	7.56	852		64.39			64.39		
6/2003	2,836,230	225,904	206,828,980	7.96	916		72.92			72.92		
9/2003	2,838,371	229,449	214,206,154	8.08	934		75.47			75.47		
12/2003	2,849,455	227,767	215,103,898	7.99	944	9.9	75.49	14.6		75.49	26.1	
3/2004	2,861,777	222,833	203,110,486	7.79	911	3.0	70.97	6.9		70.97	10.2	
6/2004	2,878,441	210,548	174,986,438	7.31	831	-8.2	60.79	-9.3		60.79	-16.6	
9/2004	2,897,878	204,986	169,458,215	7.07	827	-12.5	58.48	-11.5		58.48	-22.5	
12/2004	2,913,771	200,814	159,787,048	6.89	796	-13.8	54.84	-15.7		54.84	-27.4	
3/2005	2,933,384	193,639	156,791,283	6.60	810	-15.3	53.45	-11.1		53.45	-24.7	
6/2005	2,951,023	190,881	157,012,361	6.47	823	-11.5	53.21	-1.0		53.21	-12.5	
9/2005	2,970,251	188,548	151,275,180	6.35	802	-10.2	50.93	-3.0		50.93	-12.9	
12/2005	2,997,643	185,958	152,644,613	6.20	821	-10.0	50.92	3.1		50.92	-7.1	
3/2006	3,020,851	185,832	154,666,082	6.15	832	-6.8	51.20	2.7		51.20	-4.2	
6/2006	3,058,054	188,878	165,398,429	6.18	876	-4.5	54.09	6.4		54.09	1.7	
9/2006	3,081,033	190,174	172,618,468	6.17	908	-2.8	56.03	13.2		56.03	10.0	
12/2006	3,107,411	192,099	176,159,140	6.18	917	-0.3	56.69	11.7		56.69	11.3	
3/2007	3,138,060	191,476	178,385,556	6.10	932	-0.8	56.85	12.0		56.85	11.0	
6/2007	3,173,045	190,171	175,990,268	5.99	925	-3.1	55.46	5.6		55.46	2.5	
ANNUAL RATE OF CHANGE (19 PT.)												
ANNUAL RATE OF CHANGE (12 PT.)												
ANNUAL RATE OF CHANGE (9 PT.)												
ANNUAL RATE OF CHANGE (6 PT.)												
ANNUAL RATE OF CHANGE (19 PT.)												
ANNUAL RATE OF CHANGE (12 PT.)												
ANNUAL RATE OF CHANGE (9 PT.)												
ANNUAL RATE OF CHANGE (6 PT.)												

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE			AVERAGE LOSS	PCT. CHANGE			PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
					FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR			
3/2002	661,114	35,569	98,757,898	5.38	2,777	2,777	149.38				149.38		
6/2002	648,123	32,574	86,585,983	5.03	2,658	2,658	133.59				133.59		
9/2002	666,593	33,878	92,790,538	5.08	2,739	2,739	139.20				139.20		
12/2002	651,560	33,598	95,169,006	5.16	2,833	2,833	146.06				146.06		
3/2003	663,002	34,933	104,403,338	5.27	-2.0	2,989	157.47	7.6			157.47	5.4	
6/2003	647,443	32,740	89,611,977	5.06	0.6	2,737	138.41	3.0			138.41	3.6	
9/2003	666,990	34,277	96,496,259	5.14	1.2	2,815	144.67	2.8			144.67	3.9	
12/2003	660,222	33,357	92,467,678	5.05	-2.1	2,772	140.06	-2.2			140.06	-4.1	
3/2004	673,345	36,622	108,346,341	5.44	3.2	2,959	160.91	-1.0			160.91	2.2	
6/2004	662,187	32,832	87,549,859	4.96	-2.0	2,667	132.21	-2.6			132.21	-4.5	
9/2004	684,318	33,823	94,613,570	4.94	-3.9	2,797	138.26	-0.6			138.26	-4.4	
12/2004	674,119	31,322	91,239,624	4.65	-7.9	2,913	135.35	5.1			135.35	-3.4	
3/2005	690,406	34,677	100,383,588	5.02	-7.7	2,895	145.40	-2.2			145.40	-9.6	
6/2005	677,279	33,457	90,211,496	4.94	-0.4	2,696	133.20	1.1			133.20	0.7	
9/2005	700,792	33,512	93,236,859	4.78	-3.2	2,782	133.04	-0.5			133.04	-3.8	
12/2005	699,197	31,895	93,952,969	4.56	-1.9	2,946	134.37	1.1			134.37	-0.7	
3/2006	710,653	34,482	103,405,403	4.85	-3.4	2,999	145.51	3.6			145.51	0.1	
6/2006	711,197	32,676	92,862,254	4.59	-7.1	2,842	130.57	5.4			130.57	-2.0	
9/2006	721,717	33,849	97,546,443	4.69	-1.9	2,882	135.16	3.6			135.16	1.6	
12/2006	722,853	34,573	106,026,895	4.78	4.8	3,067	146.68	4.1			146.68	9.2	
3/2007	740,010	37,076	110,712,606	5.01	3.3	2,986	149.61	-0.4			149.61	2.8	
6/2007	746,869	35,914	102,097,295	4.81	4.8	2,843	136.70	0.0			136.70	4.7	
4 QTRS ENDING													
12/2002	2,627,390	135,619	373,303,425	5.16		2,753	142.08				142.08		
3/2003	2,629,278	134,983	378,948,865	5.13		2,807	144.13				144.13		
6/2003	2,628,598	135,149	381,974,859	5.14		2,826	145.32				145.32		
9/2003	2,628,995	135,548	385,680,580	5.16		2,845	146.70				146.70		
12/2003	2,637,657	135,307	382,979,252	5.13		2,830	145.20	2.8			145.20	2.2	
3/2004	2,648,000	136,996	386,922,255	5.17		2,824	146.12	0.6			146.12	1.4	
6/2004	2,662,744	137,088	384,860,137	5.15		2,807	144.54	-0.7			144.54	-0.5	
9/2004	2,680,072	136,634	382,977,448	5.10		2,803	142.90	-1.5			142.90	-2.6	
12/2004	2,693,969	134,599	381,749,394	5.00		2,836	141.71	0.2			141.71	-2.4	
3/2005	2,711,030	132,654	373,786,641	4.89		2,818	137.88	-0.2			137.88	-5.6	
6/2005	2,726,122	133,279	376,448,278	4.89		2,825	138.09	0.6			138.09	-4.5	
9/2005	2,742,596	132,968	375,071,567	4.85		2,821	136.76	0.6			136.76	-4.3	
12/2005	2,767,674	133,541	377,784,912	4.83		2,829	136.50	-0.2			136.50	-3.7	
3/2006	2,787,921	133,346	380,806,727	4.78		2,856	136.59	1.3			136.59	-0.9	
6/2006	2,821,839	132,565	383,457,485	4.70		2,893	135.89	2.4			135.89	-1.6	
9/2006	2,842,764	132,902	387,767,069	4.68		2,918	136.40	3.4			136.40	-0.3	
12/2006	2,866,420	135,580	399,840,995	4.73		2,949	139.49	4.2			139.49	2.2	
3/2007	2,895,777	138,174	407,148,198	4.77		2,947	140.60	3.2			140.60	2.9	
6/2007	2,931,449	141,412	416,383,239	4.82		2,944	142.04	1.8			142.04	4.5	
ANNUAL RATE OF CHANGE (19 PT.)													
ANNUAL RATE OF CHANGE (12 PT.)													
ANNUAL RATE OF CHANGE (9 PT.)													
ANNUAL RATE OF CHANGE (6 PT.)													
				-2.4		1.2	-1.3				-1.3		
				-2.2		2.0	-0.2				-0.2		
				-1.1		2.7	1.6				1.6		
				1.1		2.5	3.7				3.7		

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED JUNE 2007

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	5.1%	5.6%	5.6%
12 points	5.5%	5.9%	6.0%
9 points	7.7%	8.4%	8.6%
6 points	10.1%	10.8%	11.4%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-3.7%	-3.4%	-3.4%
12 points	-3.6%	-3.4%	-3.4%
9 points	-4.6%	-4.4%	-4.3%
6 points	-4.2%	-4.1%	-4.0%

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.9%	2.0%	2.0%
12 points	2.4%	2.5%	2.5%
9 points	2.9%	3.0%	3.1%
6 points	2.9%	3.0%	3.1%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.3%	-2.2%	-2.2%
12 points	-2.6%	-2.5%	-2.5%
9 points	-2.6%	-2.5%	-2.4%
6 points	0.2%	0.2%	0.2%

NORTH CAROLINA COMPREHENSIVE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.7%	1.7%	1.7%
12 points	5.6%	6.1%	6.2%
9 points	7.5%	8.2%	8.5%
6 points	7.8%	8.2%	8.6%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-9.2%	-7.8%	-7.4%
12 points	-5.7%	-5.3%	-5.1%
9 points	-3.0%	-2.9%	-2.8%
6 points	-1.9%	-1.9%	-1.9%

NORTH CAROLINA COLLISION

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.4%	1.5%	1.5%
12 points	2.0%	2.0%	2.0%
9 points	2.6%	2.7%	2.7%
6 points	2.4%	2.5%	2.5%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.9%	-2.8%	-2.7%
12 points	-2.3%	-2.3%	-2.2%
9 points	-1.2%	-1.1%	-1.1%
6 points	1.1%	1.1%	1.1%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED JUNE 2007

NORTH CAROLINA BODILY INJURY

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.94	0.95
12 points	0.91	0.91
9 points	0.96	0.96
6 points	0.98	0.98
FREQ		
15 points	-0.97	-0.97
12 points	-0.95	-0.95
9 points	-0.96	-0.96
6 points	-0.90	-0.90

NORTH CAROLINA PROPERTY DAMAGE

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.94	0.94
12 points	0.96	0.96
9 points	0.97	0.97
6 points	0.94	0.94
FREQ		
15 points	-0.88	-0.88
12 points	-0.85	-0.85
9 points	-0.71	-0.71
6 points	0.05	0.06

NORTH CAROLINA COMPREHENSIVE

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.31	0.31
12 points	0.90	0.90
9 points	0.94	0.94
6 points	0.91	0.90
FREQ		
15 points	-0.91	-0.93
12 points	-0.90	-0.91
9 points	-0.89	-0.89
6 points	-0.74	-0.74

NORTH CAROLINA COLLISION

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.87	0.87
12 points	0.93	0.93
9 points	0.96	0.96
6 points	0.91	0.91
FREQ		
15 points	-0.90	-0.90
12 points	-0.81	-0.81
9 points	-0.53	-0.53
6 points	0.47	0.46

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIMS FREQ.	PCT. CHANGE FROM QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM QTR PRIOR YEAR	ARISING CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2002	18,309,971	212,360	313,974	1,831,927,690	1.16	-1.7	8,627	4.9	100.05	2.7	1.71	-2.9
6/2002	18,406,395	212,293	322,050	1,918,853,227	1.15	-0.9	9,039	5.0	104.25	3.7	1.75	-4.6
9/2002	18,507,437	207,591	315,729	1,891,279,624	1.12	-0.9	9,111	4.5	102.19	3.2	1.71	-2.3
12/2002	18,345,451	214,429	321,985	1,984,826,604	1.17	-0.9	9,256	2.2	108.19	1.7	1.76	-2.8
3/2003	18,349,564	208,369	304,347	1,885,967,137	1.14	0.9	9,051	2.2	102.78	3.1	1.66	-3.6
6/2003	18,424,155	209,808	307,719	1,991,966,551	1.14	-2.6	9,494	2.7	108.12	0.4	1.67	-3.6
9/2003	18,572,312	205,767	309,705	1,958,803,940	1.11	-4.3	9,520	3.7	105.47	1.2	1.67	-4.8
12/2003	18,536,480	215,458	316,132	2,038,607,462	1.16	-6.1	9,462	2.5	109.98	0.1	1.71	-4.1
3/2004	18,556,635	212,608	297,817	1,966,425,319	1.15	-4.6	9,249	2.2	105.97	0.6	1.60	-3.6
6/2004	18,698,721	208,156	301,240	2,029,425,650	1.11	-4.6	9,750	3.9	108.53	0.1	1.61	-3.6
9/2004	18,889,023	204,174	301,151	2,015,244,239	1.08	-8.1	9,870	2.4	106.69	0.1	1.59	-4.8
12/2004	18,874,756	208,711	309,018	2,077,995,611	1.11	-4.6	9,956	2.4	110.09	0.1	1.64	-4.1
3/2005	18,961,467	203,951	292,556	1,960,589,392	1.08	-4.6	9,613	2.5	103.40	0.1	1.54	-3.8
6/2005	19,135,714	203,713	299,073	2,035,573,037	1.06	-4.6	9,992	2.4	106.38	0.1	1.56	-3.1
9/2005	19,370,375	198,716	289,841	2,008,765,848	1.03	-4.6	10,109	2.2	103.70	0.1	1.50	-5.7
12/2005	19,395,829	197,840	295,969	2,013,406,870	1.02	-4.6	10,177	2.2	103.81	0.1	1.53	-6.7
3/2006	19,417,728	199,433	286,942	2,019,283,977	1.03	-4.6	10,125	3.0	107.38	0.6	1.48	-3.9
6/2006	19,615,523	198,623	283,457	2,044,713,229	1.01	-4.9	10,294	4.5	104.24	0.1	1.45	-7.1
9/2006	19,722,635	193,944	276,756	2,048,239,702	0.98	-1.0	10,561	6.6	103.85	0.1	1.40	-6.7
12/2006	19,695,249	199,043	293,364	2,159,046,088	1.01	-4.9	10,847	5.2	109.62	0.7	1.49	-2.6
3/2007	19,713,353	193,758	275,733	2,063,603,435	0.98	-4.0	10,650	6.5	104.68	0.7	1.40	-5.4
6/2007	19,902,249	192,477	271,311	2,110,074,452	0.97	-4.0	10,963	5.7	106.02	1.7	1.36	-6.2
4 QTRS ENDING												
12/2002	73,569,254	846,673	1273738	7,626,887,145	1.15	-0.9	9,008	4.2	103.67	2.8	1.73	-2.9
3/2003	73,608,847	842,682	1264111	7,680,926,592	1.14	0.0	9,115	3.5	104.35	2.9	1.72	-3.5
6/2003	73,626,607	840,197	1249780	7,754,039,916	1.14	-0.9	9,229	2.9	105.32	2.1	1.70	-2.9
9/2003	73,691,482	838,373	1243756	7,821,564,232	1.14	-0.9	9,329	2.7	106.14	1.6	1.69	-3.6
12/2003	73,882,511	839,402	1237903	7,875,345,090	1.14	-0.9	9,382	3.4	106.59	1.2	1.68	-4.2
3/2004	74,089,582	843,641	1231373	7,955,803,272	1.14	-0.9	9,430	3.9	107.38	0.2	1.66	-3.5
6/2004	74,364,148	841,989	1224894	7,993,262,371	1.13	-2.6	9,493	2.9	107.49	0.2	1.65	-2.9
9/2004	74,680,859	840,396	1216340	8,049,702,730	1.13	-4.4	9,578	3.4	107.79	1.6	1.63	-3.6
12/2004	75,019,135	833,649	1209226	8,089,090,879	1.11	-4.4	9,703	3.9	107.17	0.2	1.60	-3.6
3/2005	75,423,967	824,992	1203965	8,083,254,952	1.09	-4.4	9,859	3.9	106.63	0.8	1.58	-4.2
6/2005	75,860,960	820,549	1201798	8,089,402,339	1.08	-5.3	9,917	3.5	105.88	1.8	1.56	-4.3
9/2005	76,342,312	815,091	1190488	8,082,923,888	1.07	-5.4	9,970	2.8	104.32	3.3	1.53	-5.0
12/2005	76,863,385	804,220	1177439	8,018,335,147	1.05	-5.5	9,970	3.1	104.46	2.5	1.52	-5.0
3/2006	77,319,646	799,702	1171825	8,077,029,732	1.03	-5.6	10,100	3.2	104.32	2.5	1.53	-5.0
6/2006	77,799,455	794,612	1156209	8,086,169,924	1.02	-5.6	10,176	3.7	103.94	1.8	1.49	-5.7
9/2006	78,151,715	789,840	1143124	8,125,643,778	1.01	-5.6	10,288	4.9	103.97	1.1	1.46	-6.4
12/2006	78,451,135	791,043	1140519	8,271,282,996	1.01	-3.8	10,456	4.8	105.43	1.1	1.45	-5.2
3/2007	78,746,760	785,368	1129310	8,315,602,454	1.00	-2.9	10,588	4.8	105.60	1.1	1.43	-5.9
6/2007	79,033,486	779,222	1117164	8,380,963,677	0.99	-2.9	10,756	5.7	106.04	2.0	1.41	-5.4
ANNUAL RATE OF CHANGE (19 PT.)												
ANNUAL RATE OF CHANGE (12 PT.)												
ANNUAL RATE OF CHANGE (9 PT.)												
ANNUAL RATE OF CHANGE (6 PT.)												
-3.6												
-4.7												
-4.2												
-2.9												
3.7												
4.0												
4.5												
5.3												
-0.1												
1.6												
-4.5												
-0.9												
-5.3												
-5.6												
-5.6												

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2002	25,669,691	1058579	2,567,449,009	4.12	-1.2	2,425	2.6	100.02	1.1
6/2002	25,859,683	1023235	2,460,263,132	3.96	-3.3	2,404	3.2	95.14	-0.1
9/2002	26,027,379	1026215	2,504,292,914	3.94	-2.8	2,440	2.8	96.22	-0.2
12/2002	25,803,249	1020108	2,532,366,500	3.95	-2.8	2,482	1.3	98.14	-1.8
3/2003	25,814,112	1049860	2,611,401,449	4.07	0.0	2,487	0.3	101.16	0.4
6/2003	25,965,322	994,897	2,467,178,369	3.83	-3.7	2,480	0.0	95.02	-2.4
9/2003	26,171,665	1001430	2,512,618,073	3.83	-3.7	2,509	0.2	96.01	-3.4
12/2003	26,113,261	1001742	2,517,945,013	3.84	-2.8	2,514	1.5	96.42	-2.0
3/2004	26,166,853	1065399	2,658,387,817	4.07	-3.6	2,495	2.1	101.59	-1.0
6/2004	26,425,405	988,154	2,451,152,447	3.74	-2.9	2,481	2.7	92.76	2.9
9/2004	26,697,850	985,058	2,477,000,490	3.69	-3.8	2,515	3.6	92.78	-0.4
12/2004	26,563,370	987,190	2,518,968,148	3.70	-3.5	2,552	4.3	94.47	0.6
3/2005	26,776,448	1056447	2,691,821,704	3.95	-5.4	2,548	4.0	101.18	-1.6
6/2005	27,045,485	1012987	2,582,089,103	3.75	-2.3	2,549	3.4	93.99	-2.2
9/2005	27,360,354	1011348	2,612,593,010	3.70	0.6	2,583	2.6	97.28	3.4
12/2005	27,368,192	973,236	2,574,397,774	3.56	-1.0	2,645	2.0	102.89	1.7
3/2006	27,411,178	1043589	2,773,589,749	3.81	-2.7	2,658	2.7	97.56	3.8
6/2006	27,748,119	984,210	2,608,083,043	3.55	-3.8	2,650	3.6	94.07	-0.4
9/2006	27,908,235	975,637	2,606,201,830	3.50	-3.5	2,671	4.0	101.18	0.6
12/2006	27,858,029	998,614	2,710,065,877	3.58	-5.4	2,714	4.0	93.38	-1.6
3/2007	27,897,338	1052435	2,870,408,983	3.77	-2.3	2,727	2.6	97.28	3.4
6/2007	28,214,225	1018280	2,752,618,521	3.61	-2.7	2,703	2.6	102.89	1.7
9/2007					-0.8		2.7	97.56	3.8
12/2007					-0.8		2.7	97.56	3.8
3/2008					-2.3		2.3	97.37	-0.2
6/2008					-2.4		3.1	97.66	0.6
9/2008					-2.6		3.3	97.63	0.6
12/2008					-1.7		2.9	97.57	1.1
3/2009					-2.5		2.4	97.14	-0.2
6/2009					-2.3		1.8	97.26	-0.4
9/2009					-2.0		1.1	96.69	-1.0
12/2009					-2.3		0.4	95.86	-1.8
3/2010					-2.3		0.5	95.38	-1.8
6/2010					-3.1		1.0	95.14	-2.2
9/2010					-2.6		1.6	95.82	-0.9
12/2010					-1.6		2.3	96.48	0.6
3/2011					-1.8		2.8	96.37	1.0
6/2011					-1.9		3.4	96.56	1.5
9/2011					-3.2		3.7	96.18	0.4
12/2011					-4.5		3.8	95.64	-0.9
3/2012					-3.2		3.6	96.44	0.1
6/2012					-4.5		3.6	96.44	0.1
9/2012					-2.7		3.1	96.89	0.3
12/2012					-0.8		2.7	97.78	1.7
3/2013					-2.4		2.3	-0.2	
6/2013					-2.4		3.1	0.6	
9/2013					-2.6		3.3	0.6	
12/2013					-1.7		2.9	1.1	

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIMS	PAID LOSSES	PCT. CHANGE FROM SAME QTR PRIOR YEAR		AVERAGE LOSS		PCT. CHANGE FROM SAME QTR PRIOR YEAR		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
						FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR				
3/2002	23,072,150	1681213	1,518,752,317	8.29	7.29	903	65.83						
6/2002	23,168,568	2018044	1,923,520,570	8.71	8.71	953	83.02						
9/2002	23,281,258	1975619	1,740,849,206	8.49	8.49	881	74.77						
12/2002	23,125,020	1761279	1,775,389,647	7.62	7.62	1,008	76.77						
3/2003	23,101,170	1615199	1,478,950,552	6.99	6.99	916	64.02	1.4	1.4	1.4	1.4	64.02	-2.7
6/2003	23,120,972	2061794	2,245,464,969	8.92	8.92	1,089	97.12	14.3	14.3	14.3	14.3	97.12	17.0
9/2003	23,229,977	1960808	1,833,342,697	8.44	8.44	935	78.92	6.1	6.1	6.1	6.1	78.92	5.6
12/2003	23,196,425	1636968	1,735,300,999	7.06	7.06	1,060	74.81	5.2	5.2	5.2	5.2	74.81	-2.6
3/2004	23,234,843	1530019	1,339,857,835	6.59	6.59	876	57.69	-4.4	-4.4	-4.4	-4.4	57.69	-9.9
6/2004	23,314,575	1788823	1,619,678,990	7.67	7.67	905	69.47	-16.9	-16.9	-16.9	-16.9	69.47	-28.5
9/2004	23,479,066	1844019	1,808,919,506	7.85	7.85	981	77.04	4.9	4.9	4.9	4.9	77.04	-2.4
12/2004	23,457,929	1590220	1,716,492,233	6.78	6.78	1,079	73.17	1.8	1.8	1.8	1.8	73.17	-2.2
3/2005	23,551,761	1507384	1,354,750,327	6.40	6.40	899	57.52	2.6	2.6	2.6	2.6	57.52	-0.3
6/2005	23,679,823	1719381	1,542,501,005	7.26	7.26	897	65.14	-0.9	-0.9	-0.9	-0.9	65.14	-6.2
9/2005	23,903,410	1734521	1,812,748,688	7.05	7.05	1,045	75.84	6.5	6.5	6.5	6.5	75.84	-1.6
12/2005	23,972,793	1689731	2,623,841,040	7.05	7.05	1,553	109.45	43.9	43.9	43.9	43.9	109.45	49.6
3/2006	23,993,462	1457654	1,521,233,805	6.08	6.08	1,044	63.40	16.1	16.1	16.1	16.1	63.40	10.2
6/2006	24,203,380	1701230	1,817,776,661	7.03	7.03	1,069	75.10	19.2	19.2	19.2	19.2	75.10	15.3
9/2006	24,349,899	1555832	1,629,100,046	6.39	6.39	1,047	66.90	0.2	0.2	0.2	0.2	66.90	-11.8
12/2006	24,371,282	1418879	1,705,550,086	5.82	5.82	1,202	69.98	-22.6	-22.6	-22.6	-22.6	69.98	-36.1
3/2007	24,446,522	1335539	1,397,212,917	5.46	5.46	1,046	57.15	0.2	0.2	0.2	0.2	57.15	-9.9
6/2007	24,671,018	1549538	1,544,091,380	6.28	6.28	996	62.59	-6.8	-6.8	-6.8	-6.8	62.59	-16.7
4 QTRS ENDING													
12/2002	92,646,996	7436155	6,958,511,740	8.03	8.03	936	75.11						
3/2003	92,676,016	7370141	6,918,709,975	7.95	7.95	939	74.65						
6/2003	92,628,420	7413891	7,240,654,374	8.00	8.00	977	78.17						
9/2003	92,577,139	7399080	7,333,147,865	7.99	7.99	991	79.21						
12/2003	92,648,544	7274769	7,293,059,217	7.85	7.85	1,003	78.72	7.2	7.2	7.2	7.2	78.72	4.8
3/2004	92,772,217	7189589	7,153,966,500	7.75	7.75	995	77.11	6.0	6.0	6.0	6.0	77.11	3.3
6/2004	92,965,820	6916618	6,528,180,521	7.44	7.44	944	70.22	-3.4	-3.4	-3.4	-3.4	70.22	-10.2
9/2004	93,214,909	6799829	6,503,757,330	7.29	7.29	956	69.77	-3.5	-3.5	-3.5	-3.5	69.77	-11.9
12/2004	93,476,413	6753081	6,484,948,564	7.22	7.22	960	69.38	-4.3	-4.3	-4.3	-4.3	69.38	-11.9
3/2005	93,803,331	6730446	6,499,841,056	7.18	7.18	966	69.29	-2.9	-2.9	-2.9	-2.9	69.29	-10.1
6/2005	94,168,579	6661004	6,422,663,071	7.07	7.07	964	68.20	2.1	2.1	2.1	2.1	68.20	-2.9
9/2005	94,592,923	6551506	6,426,492,253	6.93	6.93	981	67.94	2.6	2.6	2.6	2.6	67.94	-2.6
12/2005	95,107,787	6651017	7,333,841,060	6.99	6.99	1,103	77.11	14.9	14.9	14.9	14.9	77.11	11.1
3/2006	95,549,488	6601287	7,500,324,538	6.91	6.91	1,136	78.50	17.6	17.6	17.6	17.6	78.50	13.3
6/2006	96,073,045	6583136	7,775,600,194	6.85	6.85	1,181	80.93	22.5	22.5	22.5	22.5	80.93	18.7
9/2006	96,519,534	6404447	7,591,951,552	6.64	6.64	1,185	78.66	20.8	20.8	20.8	20.8	78.66	15.8
12/2006	96,918,023	6133595	6,673,660,598	6.33	6.33	1,088	68.86	-1.4	-1.4	-1.4	-1.4	68.86	-10.7
3/2007	97,371,083	6011480	6,549,639,710	6.17	6.17	1,090	67.26	-4.0	-4.0	-4.0	-4.0	67.26	-14.3
6/2007	97,838,721	5859788	6,275,954,429	5.99	5.99	1,071	64.15	-9.3	-9.3	-9.3	-9.3	64.15	-20.7
ANNUAL RATE OF CHANGE (19 PT.)				-6.0	-6.0	4.4	-1.9						
ANNUAL RATE OF CHANGE (12 PT.)				-6.5	-6.5	7.0	0.0						
ANNUAL RATE OF CHANGE (9 PT.)				-8.0	-8.0	5.1	-3.3						
ANNUAL RATE OF CHANGE (6 PT.)				-11.6	-11.6	-6.8	-17.6						

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR			PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
					FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	FROM SAME QTR PRIOR YEAR		
3/2002	21,778,734	1518856	4,108,736,703	6.97		2,705	188.66		
6/2002	21,936,543	1431899	3,621,661,525	6.53		2,529	165.10		
9/2002	22,072,226	1436480	3,759,800,195	6.51		2,617	170.34		
12/2002	21,876,115	1403229	3,911,723,829	6.41		2,788	178.81		
3/2003	21,813,266	1488761	4,262,438,689	6.83	-2.0	2,863	195.41	3.6	
6/2003	21,899,578	1332610	3,515,884,163	6.09	-6.7	2,638	160.55	-2.8	
9/2003	22,017,257	1340755	3,631,743,266	6.09	-6.5	2,709	164.95	-3.2	
12/2003	21,934,454	1327347	3,735,124,599	6.05	-5.6	2,814	170.29	-4.8	
3/2004	21,924,339	1454102	4,204,971,679	6.63	-2.9	2,892	191.79	-1.9	
6/2004	22,083,132	1279479	3,370,125,865	5.79	-4.9	2,634	152.61	-4.9	
9/2004	22,266,749	1282122	3,550,122,737	5.76	-5.4	2,769	159.44	-3.3	
12/2004	22,201,828	1280474	3,709,228,542	5.77	-4.6	2,897	167.07	-1.9	
3/2005	22,258,645	1420444	4,284,100,895	6.38	-3.8	3,016	192.47	0.4	
6/2005	22,457,171	1295367	3,583,486,752	5.77	-0.3	2,766	159.57	4.6	
9/2005	22,702,190	1301593	3,666,854,564	5.73	-0.5	2,817	161.52	1.3	
12/2005	22,691,856	1286746	3,868,195,699	5.67	-1.7	3,006	170.47	2.0	
3/2006	22,716,433	1382242	4,300,318,299	6.08	-4.7	3,111	189.30	-1.6	
6/2006	22,988,622	1267481	3,641,522,155	5.51	-4.5	2,873	158.41	-0.7	
9/2006	23,154,083	1280150	3,724,404,552	5.53	-3.5	2,909	160.85	-0.4	
12/2006	23,126,085	1299280	3,972,692,648	5.62	-0.9	3,058	171.78	0.8	
3/2007	23,182,728	1445444	4,502,350,518	6.24	2.6	3,115	194.21	2.6	
6/2007	23,466,458	1333546	3,820,860,106	5.68	3.1	2,865	162.82	2.8	
4 QTRS ENDING									
12/2002	87,663,618	5790464	15,401,922,252	6.61		2,660	175.69		
3/2003	87,698,150	5760369	15,555,624,238	6.57		2,700	177.38		
6/2003	87,661,185	5661080	15,449,846,876	6.46		2,729	176.25		
9/2003	87,606,216	5565355	15,321,789,947	6.35		2,753	174.89		
12/2003	87,664,555	5489473	15,145,190,717	6.26	-5.3	2,759	172.76	-1.7	
3/2004	87,775,628	5454814	15,087,723,707	6.21	-5.5	2,766	171.89	-3.1	
6/2004	87,959,182	5401683	14,941,965,409	6.14	-5.0	2,766	169.87	-3.6	
9/2004	88,208,674	5343050	14,860,344,880	6.06	-4.6	2,781	168.47	-3.7	
12/2004	88,476,048	5296177	14,834,448,823	5.99	-4.3	2,801	167.67	-2.9	
3/2005	88,810,354	5262519	14,913,578,039	5.93	-4.5	2,834	167.93	-2.3	
6/2005	89,184,393	5278407	15,126,938,926	5.92	-3.6	2,866	169.61	-0.2	
9/2005	89,619,834	5297878	15,243,680,753	5.91	-2.5	2,877	170.09	1.0	
12/2005	90,109,862	5304150	15,402,647,910	5.89	-1.7	2,904	170.93	1.9	
3/2006	90,567,650	5265948	15,418,865,314	5.81	-2.0	2,928	170.25	1.4	
6/2006	91,099,101	5238062	15,476,900,717	5.75	-2.9	2,955	169.89	0.2	
9/2006	91,550,994	5216619	15,534,440,705	5.70	-3.6	2,978	169.68	-0.2	
12/2006	91,985,223	5229153	15,638,937,654	5.68	-3.6	2,991	170.02	-0.5	
3/2007	92,451,518	5292355	15,840,969,873	5.72	-1.5	2,993	171.34	0.6	
6/2007	92,929,354	5358420	16,020,307,824	5.77	0.3	2,990	172.39	1.5	
ANNUAL RATE OF CHANGE (19 PT.)									
ANNUAL RATE OF CHANGE (12 PT.)									
ANNUAL RATE OF CHANGE (9 PT.)									
ANNUAL RATE OF CHANGE (6 PT.)									
				-3.3		2.7		-0.7	
				-2.1		2.9		0.5	
				-1.9		2.5		0.7	
				-0.6		1.7		1.0	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED JUNE 2007

MULTISTATE BODILY INJURY

STRAIGHT LINE

ST	END POINT	MID POINT	EXPONENTIAL
15 points	3.5%	3.8%	3.8%
12 points	3.8%	4.0%	4.0%
9 points	4.2%	4.4%	4.5%
6 points	5.0%	5.2%	5.3%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-4.9%	-4.5%	-4.4%
12 points	-5.2%	-4.8%	-4.7%
9 points	-4.5%	-4.3%	-4.2%
6 points	-3.0%	-2.9%	-2.9%

MULTISTATE PROPERTY DAMAGE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.5%	2.6%	2.6%
12 points	3.0%	3.1%	3.1%
9 points	3.2%	3.3%	3.3%
6 points	2.8%	2.8%	2.9%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.6%	-2.5%	-2.4%
12 points	-2.5%	-2.4%	-2.4%
9 points	-2.7%	-2.6%	-2.6%
6 points	-1.7%	-1.7%	-1.7%

MULTISTATE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.8%	5.3%	5.4%
12 points	6.1%	6.7%	7.0%
9 points	4.5%	4.8%	5.1%
6 points	-7.4%	-7.1%	-6.8%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-7.5%	-6.6%	-6.5%
12 points	-7.3%	-6.6%	-6.5%
9 points	-8.9%	-8.1%	-8.0%
6 points	-13.3%	-12.3%	-11.6%

MULTISTATE COLLISION

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.6%	2.8%	2.8%
12 points	2.8%	2.9%	2.9%
9 points	2.4%	2.4%	2.5%
6 points	1.7%	1.7%	1.7%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.8%	-2.7%	-2.6%
12 points	-2.2%	-2.2%	-2.1%
9 points	-2.0%	-2.0%	-1.9%
6 points	-0.6%	-0.6%	-0.6%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED JUNE 2007

MULTISTATE BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	0.99	0.99
9 points	0.99	0.99
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.99	-0.99
12 points	-0.98	-0.99
9 points	-0.97	-0.98
6 points	-0.98	-0.98

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.98
12 points	1.00	1.00
9 points	1.00	1.00
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.98	-0.98
12 points	-0.96	-0.96
9 points	-0.93	-0.93
6 points	-0.74	-0.74

MULTISTATE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.72	0.73
12 points	0.72	0.74
9 points	0.46	0.48
6 points	-0.75	-0.75

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.97	-0.97
12 points	-0.95	-0.94
9 points	-0.95	-0.94
6 points	-0.99	-0.99

MULTISTATE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.99	0.99
12 points	0.98	0.98
9 points	0.97	0.96
6 points	0.90	0.90

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.95	-0.96
12 points	-0.93	-0.93
9 points	-0.84	-0.84
6 points	-0.35	-0.34

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES(A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)		(6) PAID LOSSES(A)	(7) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)			(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
<u>BODILY INJURY (25/50 LIMIT)</u>			<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>					
Sep-01	\$558,673,702	89,581	6,237	\$5,939.05	\$567,823,650	219,769	\$2,584	\$2,407.67
Dec-01	564,227,720	89,488	6,305	6,004.70	571,879,214	221,522	2,582	2,424.84
Mar-02	546,662,975	86,493	6,320	6,071.08	567,288,489	219,206	2,588	2,442.13
Jun-02	547,325,100	86,873	6,300	6,138.20	571,372,598	219,027	2,609	2,459.54
Sep-02	563,771,334	88,577	6,365	6,206.05	583,289,220	222,517	2,621	2,477.08
Dec-02	560,921,177	88,743	6,321	6,274.66	583,191,788	221,358	2,635	2,494.74
Mar-03	569,840,013	89,919	6,337	6,344.02	585,934,477	222,069	2,639	2,512.53
Jun-03	575,159,482	90,331	6,367	6,414.15	590,846,724	224,904	2,627	2,530.45
Sep-03	570,499,849	90,521	6,302	6,485.05	601,174,773	230,230	2,611	2,548.49
Dec-03	578,126,767	91,284	6,333	6,556.74	607,731,962	235,466	2,581	2,566.66
Mar-04	578,378,892	91,335	6,333	6,629.22	614,258,216	239,170	2,568	2,584.97
Jun-04	587,773,754	92,809	6,333	6,702.51	620,234,160	243,165	2,551	2,603.40
Sep-04	600,962,824	93,789	6,408	6,776.60	615,743,810	242,681	2,537	2,621.96
Dec-04	604,104,653	94,239	6,410	6,851.51	621,932,792	244,291	2,546	2,640.66
Mar-05	614,245,123	94,566	6,495	6,927.25	627,485,422	246,310	2,548	2,659.49
Jun-05	618,225,435	94,403	6,549	7,003.83	631,671,224	246,705	2,560	2,678.45
Sep-05	619,111,321	94,185	6,573	7,081.25	635,302,673	247,768	2,564	2,697.55
Dec-05	622,459,483	92,952	6,697	7,159.53	628,235,467	243,492	2,580	2,716.79
Mar-06	629,437,209	93,200	6,754	7,238.68	637,159,084	244,730	2,604	2,736.16
Jun-06	630,633,611	92,590	6,811	7,318.70	638,433,955	242,768	2,630	2,755.67
Sep-06	634,357,480	91,654	6,921	7,399.60	644,595,815	242,089	2,663	2,775.32
Dec-06	642,197,893	91,728	7,001	7,481.40	663,272,417	247,014	2,685	2,795.11
Mar-07	647,570,982	91,426	7,083	7,564.10	671,741,530	247,151	2,718	2,815.04
Jun-07	662,754,365	91,659	7,231	7,647.72	681,592,955	249,904	2,727	2,835.11

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	BODILY <u>INJURY</u>	PROPERTY <u>DAMAGE</u>
6-points	5.5%	3.9%
9-points	5.0%	3.6%
12-points	4.5%	2.9%
15-points	3.9%	1.9%

(A) FACTORS OF 1.129 WERE APPLIED TO BODILY INJURY AND 1.116 TO PROPERTY DAMAGE PAID LOSSES TO INCLUDE ALL LOSS ADJUSTMENT.

(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)		(6) PAID LOSSES (A)	(7) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)			(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
<u>BODILY INJURY (25/50 EXCESS)</u>					<u>BODILY INJURY (TOTAL LIMITS)</u>			
Sep-01	\$104,250,611	89,581	\$1,164	\$1,368.96	\$662,924,313	89,581	\$7,400	\$7,302.29
Dec-01	104,450,916	89,488	1,167	1,393.96	668,678,636	89,488	7,472	7,393.85
Mar-02	102,367,259	86,493	1,184	1,419.41	649,030,234	86,493	7,504	7,486.55
Jun-02	106,378,359	86,873	1,225	1,445.34	653,703,459	86,873	7,525	7,580.42
Sep-02	112,295,901	88,577	1,268	1,471.73	676,067,235	88,577	7,633	7,675.46
Dec-02	113,943,398	88,743	1,284	1,498.61	674,864,575	88,743	7,605	7,771.70
Mar-03	114,305,404	89,919	1,271	1,525.98	684,145,417	89,919	7,608	7,869.14
Jun-03	120,193,848	90,331	1,331	1,553.85	695,353,330	90,331	7,698	7,967.80
Sep-03	123,263,735	90,521	1,362	1,582.23	693,763,584	90,521	7,664	8,067.71
Dec-03	132,035,735	91,284	1,446	1,611.12	710,162,502	91,284	7,780	8,168.86
Mar-04	135,241,257	91,335	1,481	1,640.55	713,620,149	91,335	7,813	8,271.28
Jun-04	140,159,506	92,809	1,510	1,670.51	727,933,260	92,809	7,843	8,374.99
Sep-04	150,010,451	93,789	1,599	1,701.02	750,973,275	93,789	8,007	8,479.99
Dec-04	154,932,128	94,239	1,644	1,732.08	759,036,781	94,239	8,054	8,586.32
Mar-05	156,771,721	94,566	1,658	1,763.71	771,016,844	94,566	8,153	8,693.97
Jun-05	152,170,027	94,403	1,612	1,795.92	770,395,462	94,403	8,161	8,802.98
Sep-05	145,337,018	94,185	1,543	1,828.72	764,448,339	94,185	8,116	8,913.35
Dec-05	141,176,463	92,952	1,519	1,862.12	763,635,946	92,952	8,215	9,025.11
Mar-06	146,764,331	93,200	1,575	1,896.13	776,201,540	93,200	8,328	9,138.26
Jun-06	149,980,616	92,590	1,620	1,930.76	780,614,227	92,590	8,431	9,252.84
Sep-06	164,092,103	91,654	1,790	1,966.02	798,449,583	91,654	8,712	9,368.85
Dec-06	170,571,506	91,728	1,860	2,001.92	812,769,399	91,728	8,861	9,486.32
Mar-07	173,015,888	91,426	1,892	2,038.48	820,586,870	91,426	8,975	9,605.26
Jun-07	182,324,846	91,659	1,989	2,075.71	845,079,211	91,659	9,220	9,725.69

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	25/50 <u>EXCESS</u>	TOTAL <u>LIMITS</u>
6-points	21.0%	8.5%
9-points	14.2%	6.8%
12-points	7.5%	5.1%
15-points	7.4%	4.6%

(A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN MEDICAL PAYMENTS CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
Sep-01	\$92,367,317	60,569	\$1,525	\$1,733.48
Dec-01	92,840,807	60,183	1,543	1,740.22
Mar-02	92,336,745	58,913	1,567	1,746.99
Jun-02	94,004,407	58,364	1,611	1,753.79
Sep-02	97,155,046	59,123	1,643	1,760.62
Dec-02	98,807,323	59,769	1,653	1,767.47
Mar-03	100,623,869	60,070	1,675	1,774.34
Jun-03	101,897,874	60,672	1,679	1,781.25
Sep-03	101,824,929	60,577	1,681	1,788.18
Dec-03	101,449,178	59,816	1,696	1,795.13
Mar-04	101,713,082	59,214	1,718	1,802.12
Jun-04	101,794,562	58,910	1,728	1,809.13
Sep-04	102,792,212	58,395	1,760	1,816.17
Dec-04	103,205,467	57,845	1,784	1,823.24
Mar-05	102,781,502	57,411	1,790	1,830.33
Jun-05	102,943,294	57,091	1,803	1,837.45
Sep-05	102,897,784	57,288	1,796	1,844.60
Dec-05	102,777,869	56,796	1,810	1,851.78
Mar-06	104,035,116	57,189	1,819	1,858.98
Jun-06	103,736,147	56,637	1,832	1,866.21
Sep-06	103,513,028	55,949	1,850	1,873.48
Dec-06	104,952,403	57,123	1,837	1,880.76
Mar-07	104,424,370	57,047	1,830	1,888.08
Jun-07	106,505,075	57,778	1,843	1,895.43

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	MEDICAL <u>PAYMENTS</u>
	6-points 0.6%
	9-points 1.3%
	12-points 1.6%
	15-points 2.3%

- (A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1)	(2)	(3)	(4)	(5)	(6)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQ (2)/(3)	PAID CLAIMS	PAID CLAIM FREQ (5)/(3)
		<u>BODILY INJURY</u>		<u>PROPERTY DAMAGE</u>	
Sep-01	5,713,434	89,581	1.5679	219,769	3.8465
Dec-01	5,743,762	89,488	1.5580	221,522	3.8567
Mar-02	5,790,492	86,493	1.4937	219,206	3.7856
Jun-02	5,838,882	86,873	1.4878	219,027	3.7512
Sep-02	5,881,478	88,577	1.5060	222,517	3.7834
Dec-02	5,924,992	88,743	1.4978	221,358	3.7360
Mar-03	5,964,403	89,919	1.5076	222,069	3.7232
Jun-03	5,984,173	90,331	1.5095	224,904	3.7583
Sep-03	6,012,566	90,521	1.5055	230,230	3.8291
Dec-03	6,041,184	91,284	1.5110	235,466	3.8977
Mar-04	6,062,512	91,335	1.5066	239,170	3.9451
Jun-04	6,105,291	92,809	1.5201	243,165	3.9829
Sep-04	6,144,902	93,789	1.5263	242,681	3.9493
Dec-04	6,192,752	94,239	1.5218	244,291	3.9448
Mar-05	6,268,761	94,566	1.5085	246,310	3.9292
Jun-05	6,329,732	94,403	1.4914	246,705	3.8976
Sep-05	6,386,223	94,185	1.4748	247,768	3.8797
Dec-05	6,430,216	92,952	1.4456	243,492	3.7867
Mar-06	6,459,527	93,200	1.4428	244,730	3.7887
Jun-06	6,514,265	92,590	1.4213	242,768	3.7267
Sep-06	6,563,911	91,654	1.3963	242,089	3.6882
Dec-06	6,617,915	91,728	1.3861	247,014	3.7325
Mar-07	6,665,866	91,426	1.3716	247,151	3.7077
Jun-07	6,700,103	91,659	1.3680	249,904	3.7299

(5) RATE OF CHANGE IN PAID CLAIM FREQS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

	<u>B.I.</u>	<u>P.D.</u>
6-points	-4.3%	-0.9%
9-points	-4.4%	-2.4%
12-points	-4.3%	-2.7%
15-points	-3.4%	-2.2%
24-points	-1.8%	-0.3%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQ (2)/(3)

MEDICAL PAYMENTS

Sep-01	4,249,441	60,569	1.4253
Dec-01	4,289,586	60,183	1.4030
Mar-02	4,336,592	58,913	1.3585
Jun-02	4,376,208	58,364	1.3337
Sep-02	4,407,881	59,123	1.3413
Dec-02	4,438,733	59,769	1.3465
Mar-03	4,468,077	60,070	1.3444
Jun-03	4,485,923	60,672	1.3525
Sep-03	4,506,331	60,577	1.3443
Dec-03	4,521,445	59,816	1.3229
Mar-04	4,529,860	59,214	1.3072
Jun-04	4,551,923	58,910	1.2942
Sep-04	4,576,988	58,395	1.2758
Dec-04	4,615,995	57,845	1.2531
Mar-05	4,670,206	57,411	1.2293
Jun-05	4,717,196	57,091	1.2103
Sep-05	4,755,565	57,288	1.2047
Dec-05	4,782,499	56,796	1.1876
Mar-06	4,803,998	57,189	1.1904
Jun-06	4,838,249	56,637	1.1706
Sep-06	4,873,424	55,949	1.1480
Dec-06	4,912,612	57,123	1.1628
Mar-07	4,949,155	57,047	1.1527
Jun-07	4,975,256	57,778	1.1613

(5) RATE OF CHANGE IN PAID CLAIM FREQS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	6-points	-1.8%
	9-points	-2.5%
	12-points	-3.5%
	15-points	-4.1%
	24-points	-3.7%
		<u>MEDICAL PAYMENTS</u>

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

L CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	3.6%	3.9%	3.9%
12 points	4.2%	4.4%	4.5%
9 points	4.7%	4.9%	5.0%
6 points	5.2%	5.4%	5.5%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-1.9%	-1.8%	-1.8%
15 points	-3.6%	-3.4%	-3.4%
12 points	-4.7%	-4.4%	-4.3%
9 points	-4.8%	-4.5%	-4.4%
6 points	-4.5%	-4.4%	-4.3%

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.8%	1.9%	1.9%
12 points	2.7%	2.9%	2.9%
9 points	3.4%	3.6%	3.6%
6 points	3.8%	3.9%	3.9%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-0.3%	-0.3%	-0.3%
15 points	-2.3%	-2.2%	-2.2%
12 points	-2.8%	-2.7%	-2.7%
9 points	-2.5%	-2.5%	-2.4%
6 points	-0.9%	-0.9%	-0.9%

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.2%	2.2%	2.3%
12 points	1.5%	1.5%	1.6%
9 points	1.3%	1.3%	1.3%
6 points	0.6%	0.6%	0.6%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-4.2%	-3.8%	-3.7%
15 points	-4.5%	-4.2%	-4.1%
12 points	-3.7%	-3.6%	-3.5%
9 points	-2.6%	-2.5%	-2.5%
6 points	-1.8%	-1.8%	-1.8%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	6.5%	7.4%	7.4%
12 points	6.8%	7.5%	7.5%
9 points	11.9%	13.7%	14.2%
6 points	16.9%	18.9%	21.0%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	4.2%	4.6%	4.6%
12 points	4.7%	5.0%	5.1%
9 points	6.2%	6.7%	6.8%
6 points	7.8%	8.1%	8.5%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

PL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.99	0.99
9 points	0.99	0.99
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.83	-0.83
15 points	-0.95	-0.95
12 points	-0.99	-0.99
9 points	-0.99	-0.99
6 points	-0.97	-0.97

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.86	0.86
12 points	0.97	0.97
9 points	0.99	0.99
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.19	-0.20
15 points	-0.91	-0.91
12 points	-0.94	-0.94
9 points	-0.86	-0.86
6 points	-0.49	-0.48

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.94	0.94
12 points	0.93	0.93
9 points	0.85	0.85
6 points	0.50	0.50

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.98	-0.98
15 points	-0.96	-0.97
12 points	-0.94	-0.94
9 points	-0.90	-0.90
6 points	-0.65	-0.65

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

L CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.83	0.84
12 points	0.75	0.74
9 points	0.91	0.91
6 points	0.98	0.98

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.96	0.96
12 points	0.94	0.95
9 points	0.97	0.98
6 points	0.99	0.99

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2) / (3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)

FULL COVERAGE COMPREHENSIVE

Sep-01	\$20,460,067	42,722	\$479	\$450.83
Dec-01	20,052,034	42,025	477	450.94
Mar-02	19,297,159	40,875	472	451.05
Jun-02	18,616,174	39,392	473	451.15
Sep-02	18,419,857	38,301	481	451.26
Dec-02	17,793,356	37,089	480	451.37
Mar-03	18,020,908	37,653	479	451.48
Jun-03	17,987,106	37,612	478	451.58
Sep-03	17,775,836	37,477	474	451.69
Dec-03	17,638,945	37,501	470	451.80
Mar-04	17,426,452	37,568	464	451.91
Jun-04	17,256,719	38,026	454	452.02
Sep-04	17,016,297	37,792	450	452.12
Dec-04	16,836,914	37,662	447	452.23
Mar-05	16,149,392	35,795	451	452.34
Jun-05	15,518,705	34,290	453	452.45
Sep-05	15,222,125	33,514	454	452.56
Dec-05	14,847,636	32,409	458	452.67
Mar-06	14,399,366	31,856	452	452.77
Jun-06	13,866,053	30,363	457	452.88
Sep-06	13,113,541	28,983	452	452.99
Dec-06	12,616,430	28,209	447	453.10
Mar-07	12,277,677	26,995	455	453.21
Jun-07	12,010,320	26,743	449	453.31

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.7%
9-points	-0.5%
12-points	0.1%
15-points	-0.6%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2) / (3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$50 DEDUCTIBLE COMPREHENSIVE				
Sep-01	\$2,292,685	4,727	\$485	\$438.74
Dec-01	2,210,757	4,627	478	440.16
Mar-02	2,251,959	4,528	497	441.58
Jun-02	2,206,282	4,329	510	443.01
Sep-02	2,211,212	4,203	526	444.44
Dec-02	2,143,331	4,094	524	445.87
Mar-03	2,042,140	4,092	499	447.31
Jun-03	2,033,765	4,079	499	448.76
Sep-03	1,916,776	3,972	483	450.21
Dec-03	1,941,794	4,003	485	451.66
Mar-04	1,914,834	3,976	482	453.12
Jun-04	1,857,795	4,107	452	454.59
Sep-04	1,890,815	4,161	454	456.06
Dec-04	1,801,441	4,104	439	457.53
Mar-05	1,822,020	3,987	457	459.01
Jun-05	1,789,075	3,794	472	460.49
Sep-05	1,692,373	3,802	445	461.98
Dec-05	1,694,112	3,719	456	463.47
Mar-06	1,572,678	3,641	432	464.97
Jun-06	1,554,060	3,509	443	466.47
Sep-06	1,552,423	3,333	466	467.98
Dec-06	1,500,376	3,241	463	469.49
Mar-07	1,474,946	3,124	472	471.01
Jun-07	1,452,676	3,111	467	472.53

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	6.8%
9-points	1.6%
12-points	1.3%
15-points	-0.4%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$100 DEDUCTIBLE COMPREHENSIVE				
Sep-01	\$15,684,074	28,413	\$552	\$513.19
Dec-01	15,655,468	28,277	554	512.48
Mar-02	16,059,179	28,420	565	511.77
Jun-02	15,716,579	28,270	556	511.06
Sep-02	15,885,392	28,034	567	510.35
Dec-02	15,697,992	27,734	566	509.64
Mar-03	15,601,353	28,047	556	508.93
Jun-03	15,592,216	28,030	556	508.23
Sep-03	15,398,298	28,160	547	507.52
Dec-03	15,224,565	28,215	540	506.82
Mar-04	14,962,466	28,403	527	506.11
Jun-04	14,986,259	29,043	516	505.41
Sep-04	15,021,293	29,202	514	504.71
Dec-04	14,842,705	29,362	506	504.01
Mar-05	14,423,370	28,356	509	503.31
Jun-05	13,951,314	27,372	510	502.61
Sep-05	13,362,016	26,498	504	501.92
Dec-05	12,856,297	25,492	504	501.22
Mar-06	12,443,932	24,968	498	500.53
Jun-06	12,129,195	24,034	505	499.83
Sep-06	11,657,714	23,404	498	499.14
Dec-06	11,495,146	23,012	500	498.45
Mar-07	11,348,425	22,465	505	497.76
Jun-07	11,283,291	22,210	508	497.07

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.2%
9-points	-0.2%
12-points	-0.6%
15-points	-1.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2) / (3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$250 DEDUCTIBLE COMPREHENSIVE				
Sep-01	\$5,149,782	7,037	\$732	\$693.22
Dec-01	5,179,912	7,125	727	694.09
Mar-02	5,422,190	7,263	747	694.95
Jun-02	5,600,311	7,357	761	695.82
Sep-02	5,700,788	7,430	767	696.69
Dec-02	5,499,205	7,519	731	697.55
Mar-03	5,615,354	7,684	731	698.42
Jun-03	5,595,768	7,754	722	699.29
Sep-03	5,754,803	7,831	735	700.17
Dec-03	6,075,223	7,794	779	701.04
Mar-04	5,859,459	7,767	754	701.91
Jun-04	5,871,217	7,840	749	702.79
Sep-04	5,766,123	7,787	740	703.66
Dec-04	5,356,625	7,801	687	704.54
Mar-05	5,279,582	7,570	697	705.42
Jun-05	5,060,521	7,342	689	706.30
Sep-05	4,945,490	7,188	688	707.18
Dec-05	4,868,505	6,939	702	708.06
Mar-06	4,749,545	6,921	686	708.94
Jun-06	4,728,582	6,807	695	709.83
Sep-06	4,764,387	6,658	716	710.71
Dec-06	4,744,940	6,685	710	711.60
Mar-07	4,645,400	6,612	703	712.48
Jun-07	4,898,995	6,730	728	713.37

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	3.8%
9-points	2.4%
12-points	0.5%
15-points	-1.8%

- (A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
FULL COVERAGE COMPREHENSIVE			
Sep-01	728,083	42,722	5.8677
Dec-01	721,277	42,025	5.8265
Mar-02	713,949	40,875	5.7252
Jun-02	707,071	39,392	5.5712
Sep-02	700,453	38,301	5.4680
Dec-02	693,674	37,089	5.3467
Mar-03	686,768	37,653	5.4826
Jun-03	680,079	37,612	5.5305
Sep-03	673,789	37,477	5.5621
Dec-03	668,342	37,501	5.6110
Mar-04	663,962	37,568	5.6582
Jun-04	662,297	38,026	5.7415
Sep-04	665,305	37,792	5.6804
Dec-04	670,866	37,662	5.6139
Mar-05	675,564	35,795	5.2985
Jun-05	676,325	34,290	5.0700
Sep-05	670,278	33,514	5.0000
Dec-05	658,897	32,409	4.9187
Mar-06	645,522	31,856	4.9349
Jun-06	630,918	30,363	4.8125
Sep-06	616,292	28,983	4.7028
Dec-06	602,462	28,209	4.6823
Mar-07	589,567	26,995	4.5788
Jun-07	577,348	26,743	4.6320

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-5.2%
9-points	-5.0%
12-points	-7.3%
15-points	-6.9%
24-points	-4.0%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$50 DEDUCTIBLE COMPREHENSIVE			
Sep-01	93,734	4,727	5.0430
Dec-01	92,472	4,627	5.0037
Mar-02	91,013	4,528	4.9751
Jun-02	89,475	4,329	4.8382
Sep-02	87,895	4,203	4.7818
Dec-02	86,343	4,094	4.7416
Mar-03	84,881	4,092	4.8209
Jun-03	83,526	4,079	4.8835
Sep-03	82,309	3,972	4.8257
Dec-03	81,239	4,003	4.9274
Mar-04	80,323	3,976	4.9500
Jun-04	80,205	4,107	5.1206
Sep-04	81,407	4,161	5.1114
Dec-04	83,350	4,104	4.9238
Mar-05	85,446	3,987	4.6661
Jun-05	86,851	3,794	4.3684
Sep-05	86,856	3,802	4.3774
Dec-05	85,963	3,719	4.3263
Mar-06	84,767	3,641	4.2953
Jun-06	83,450	3,509	4.2049
Sep-06	82,194	3,333	4.0550
Dec-06	81,008	3,241	4.0008
Mar-07	79,914	3,124	3.9092
Jun-07	78,939	3,111	3.9410

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-7.3%
9-points	-6.2%
12-points	-8.7%
15-points	-7.9%
24-points	-4.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$100 DEDUCTIBLE COMPREHENSIVE			
Sep-01	493,926	28,413	5.7525
Dec-01	494,592	28,277	5.7172
Mar-02	493,928	28,420	5.7539
Jun-02	492,778	28,270	5.7369
Sep-02	491,351	28,034	5.7055
Dec-02	489,613	27,734	5.6645
Mar-03	488,129	28,047	5.7458
Jun-03	487,254	28,030	5.7526
Sep-03	486,983	28,160	5.7825
Dec-03	487,650	28,215	5.7859
Mar-04	489,099	28,403	5.8072
Jun-04	492,987	29,043	5.8912
Sep-04	501,124	29,202	5.8273
Dec-04	511,476	29,362	5.7406
Mar-05	520,813	28,356	5.4446
Jun-05	525,941	27,372	5.2044
Sep-05	524,541	26,498	5.0517
Dec-05	517,984	25,492	4.9214
Mar-06	509,716	24,968	4.8984
Jun-06	500,839	24,034	4.7987
Sep-06	492,381	23,404	4.7532
Dec-06	485,333	23,012	4.7415
Mar-07	479,790	22,465	4.6823
Jun-07	475,035	22,210	4.6754

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-3.5%
9-points	-4.9%
12-points	-7.8%
15-points	-7.5%
24-points	-4.1%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$250 DEDUCTIBLE COMPREHENSIVE			
Sep-01	175,104	7,037	4.0188
Dec-01	177,235	7,125	4.0201
Mar-02	179,182	7,263	4.0534
Jun-02	181,351	7,357	4.0568
Sep-02	183,531	7,430	4.0484
Dec-02	185,592	7,519	4.0514
Mar-03	187,584	7,684	4.0963
Jun-03	189,531	7,754	4.0912
Sep-03	191,756	7,831	4.0838
Dec-03	194,215	7,794	4.0131
Mar-04	197,016	7,767	3.9423
Jun-04	200,562	7,840	3.9090
Sep-04	205,163	7,787	3.7955
Dec-04	210,377	7,801	3.7081
Mar-05	215,099	7,570	3.5193
Jun-05	218,324	7,342	3.3629
Sep-05	219,450	7,188	3.2755
Dec-05	218,882	6,939	3.1702
Mar-06	217,795	6,921	3.1778
Jun-06	216,653	6,807	3.1419
Sep-06	215,824	6,658	3.0849
Dec-06	215,783	6,685	3.0980
Mar-07	216,549	6,612	3.0534
Jun-07	217,574	6,730	3.0932

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.4%
9-points	-4.1%
12-points	-7.3%
15-points	-8.4%
24-points	-6.0%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	-0.6%	-0.6%	-0.6%
12 points	0.1%	0.1%	0.1%
9 points	-0.5%	-0.5%	-0.5%
6 points	-0.7%	-0.7%	-0.7%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-4.5%	-4.0%	-4.0%
15 points	-8.2%	-7.1%	-6.9%
12 points	-8.6%	-7.7%	-7.3%
9 points	-5.4%	-5.1%	-5.0%
6 points	-5.6%	-5.4%	-5.2%

\$50 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	-0.4%	-0.4%	-0.4%
12 points	1.3%	1.3%	1.3%
9 points	1.6%	1.6%	1.6%
6 points	6.2%	6.5%	6.8%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-4.7%	-4.1%	-4.2%
15 points	-9.7%	-8.2%	-7.9%
12 points	-10.6%	-9.3%	-8.7%
9 points	-6.9%	-6.4%	-6.2%
6 points	-8.0%	-7.6%	-7.3%

\$100 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE

COST	END POINT	MID POINT	EXPONENTIAL
15 points	-1.5%	-1.5%	-1.5%
12 points	-0.6%	-0.6%	-0.6%
9 points	-0.2%	-0.2%	-0.2%
6 points	1.2%	1.2%	1.2%

STRAIGHT LINE

FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-4.6%	-4.1%	-4.1%
15 points	-9.1%	-7.8%	-7.5%
12 points	-9.4%	-8.3%	-7.8%
9 points	-5.4%	-5.1%	-4.9%
6 points	-3.6%	-3.5%	-3.5%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-1.9%	-1.9%	-1.8%
12 points	0.5%	0.5%	0.5%
9 points	2.3%	2.4%	2.4%
6 points	3.6%	3.7%	3.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-7.3%	-6.0%	-6.0%
15 points	-10.5%	-8.8%	-8.4%
12 points	-8.7%	-7.8%	-7.3%
9 points	-4.4%	-4.2%	-4.1%
6 points	-2.5%	-2.5%	-2.4%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.49	-0.49
12 points	0.11	0.11
9 points	-0.45	-0.45
6 points	-0.38	-0.38

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.88	-0.88
15 points	-0.96	-0.96
12 points	-0.95	-0.95
9 points	-0.97	-0.97
6 points	-0.92	-0.92

\$50 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.14	-0.14
12 points	0.40	0.40
9 points	0.35	0.35
6 points	0.87	0.87

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.84	-0.85
15 points	-0.95	-0.96
12 points	-0.95	-0.96
9 points	-0.97	-0.97
6 points	-0.95	-0.95

\$100 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.75	-0.76
12 points	-0.52	-0.52
9 points	-0.14	-0.14
6 points	0.66	0.66

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.86	-0.86
15 points	-0.96	-0.96
12 points	-0.93	-0.94
9 points	-0.95	-0.96
6 points	-0.95	-0.96

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.52	-0.51
12 points	0.18	0.18
9 points	0.80	0.80
6 points	0.81	0.81

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.93	-0.93
15 points	-0.95	-0.96
12 points	-0.91	-0.92
9 points	-0.90	-0.91
6 points	-0.81	-0.81

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$100 DEDUCTIBLE COLLISION				
Sep-01	\$50,678,489	23,609	2,147	\$2,288.44
Dec-01	50,242,101	23,255	2,160	2,294.53
Mar-02	49,445,305	22,914	2,158	2,300.65
Jun-02	49,338,584	22,559	2,187	2,306.78
Sep-02	49,363,520	22,091	2,235	2,312.93
Dec-02	47,745,107	21,301	2,241	2,319.09
Mar-03	47,691,691	20,601	2,315	2,325.27
Jun-03	47,194,803	20,134	2,344	2,331.47
Sep-03	46,389,376	19,846	2,337	2,337.68
Dec-03	45,790,619	19,734	2,320	2,343.91
Mar-04	45,145,533	19,556	2,309	2,350.16
Jun-04	44,170,615	19,173	2,304	2,356.42
Sep-04	43,706,347	18,787	2,326	2,362.70
Dec-04	43,010,933	18,211	2,362	2,369.00
Mar-05	41,801,275	17,756	2,354	2,375.31
Jun-05	41,062,354	17,536	2,342	2,381.64
Sep-05	39,861,833	17,107	2,330	2,387.99
Dec-05	39,175,816	16,847	2,325	2,394.35
Mar-06	38,932,366	16,728	2,327	2,400.73
Jun-06	38,516,916	16,328	2,359	2,407.13
Sep-06	38,578,012	16,167	2,386	2,413.54
Dec-06	39,273,410	16,299	2,410	2,419.98
Mar-07	39,101,029	16,255	2,405	2,426.43
Jun-07	39,482,313	16,511	2,391	2,432.89

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	2.4%
9-points	1.8%
12-points	1.1%
15-points	1.1%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$200 DEDUCTIBLE COLLISION				
Sep-01	\$8,314,804	3,521	2,361	\$2,586.82
Dec-01	8,163,427	3,493	2,337	2,599.49
Mar-02	8,139,081	3,468	2,347	2,612.23
Jun-02	8,087,845	3,397	2,381	2,625.03
Sep-02	8,211,580	3,274	2,508	2,637.89
Dec-02	8,018,407	3,173	2,527	2,650.82
Mar-03	7,938,855	3,039	2,612	2,663.81
Jun-03	7,625,253	2,921	2,610	2,676.86
Sep-03	7,694,173	2,870	2,681	2,689.98
Dec-03	7,768,089	2,816	2,759	2,703.16
Mar-04	7,609,548	2,776	2,741	2,716.40
Jun-04	7,442,858	2,743	2,713	2,729.71
Sep-04	7,159,456	2,667	2,684	2,743.09
Dec-04	6,999,601	2,553	2,742	2,756.53
Mar-05	6,648,105	2,441	2,724	2,770.04
Jun-05	6,795,688	2,459	2,764	2,783.61
Sep-05	6,426,171	2,463	2,609	2,797.25
Dec-05	6,416,636	2,448	2,621	2,810.96
Mar-06	6,771,920	2,551	2,655	2,824.73
Jun-06	6,878,747	2,473	2,782	2,838.57
Sep-06	6,815,533	2,475	2,754	2,852.48
Dec-06	6,970,039	2,489	2,800	2,866.46
Mar-07	7,068,138	2,419	2,922	2,880.50
Jun-07	6,757,494	2,418	2,795	2,894.62

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	4.9%
9-points	3.8%
12-points	2.0%
15-points	1.0%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$250 DEDUCTIBLE COLLISION				
Sep-01	\$271,989,056	109,377	2,487	\$2,530.54
Dec-01	266,025,858	107,245	2,481	2,541.28
Mar-02	266,826,190	106,959	2,495	2,552.07
Jun-02	266,238,455	105,597	2,521	2,562.90
Sep-02	268,764,105	105,579	2,546	2,573.78
Dec-02	269,304,041	104,850	2,568	2,584.70
Mar-03	272,415,050	104,288	2,612	2,595.67
Jun-03	274,477,037	104,075	2,637	2,606.69
Sep-03	275,613,860	103,949	2,651	2,617.76
Dec-03	272,751,569	103,084	2,646	2,628.87
Mar-04	270,703,463	102,600	2,638	2,640.02
Jun-04	264,561,787	101,423	2,608	2,651.23
Sep-04	259,009,698	99,499	2,603	2,662.48
Dec-04	255,603,813	97,644	2,618	2,673.78
Mar-05	249,129,895	95,741	2,602	2,685.13
Jun-05	249,207,633	95,034	2,622	2,696.53
Sep-05	247,143,879	93,999	2,629	2,707.98
Dec-05	245,482,182	93,138	2,636	2,719.47
Mar-06	244,103,523	91,358	2,672	2,731.01
Jun-06	242,255,582	90,225	2,685	2,742.60
Sep-06	242,099,774	89,548	2,704	2,754.25
Dec-06	244,726,279	90,193	2,713	2,765.94
Mar-07	243,896,437	90,339	2,700	2,777.68
Jun-07	246,076,705	91,064	2,702	2,789.47

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	0.9%
9-points	1.8%
12-points	1.7%
15-points	1.1%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$500 DEDUCTIBLE COLLISION				
Sep-01	\$207,747,807	68,437	3,036	\$3,197.15
Dec-01	207,816,871	67,492	3,079	3,211.44
Mar-02	212,277,795	68,249	3,110	3,225.80
Jun-02	215,601,410	68,407	3,152	3,240.22
Sep-02	223,742,958	69,637	3,213	3,254.71
Dec-02	229,153,862	70,604	3,246	3,269.26
Mar-03	235,983,069	71,400	3,305	3,283.88
Jun-03	240,955,878	72,648	3,317	3,298.56
Sep-03	248,057,653	74,145	3,346	3,313.31
Dec-03	249,199,132	74,849	3,329	3,328.12
Mar-04	253,664,660	76,284	3,325	3,343.00
Jun-04	254,225,617	76,879	3,307	3,357.95
Sep-04	254,057,711	76,836	3,306	3,372.96
Dec-04	256,120,714	77,039	3,325	3,388.05
Mar-05	254,872,594	76,894	3,315	3,403.19
Jun-05	258,727,025	77,692	3,330	3,418.41
Sep-05	259,876,589	78,608	3,306	3,433.69
Dec-05	263,044,633	79,159	3,323	3,449.04
Mar-06	266,503,925	79,462	3,354	3,464.47
Jun-06	271,376,760	80,404	3,375	3,479.96
Sep-06	278,124,509	81,668	3,406	3,495.51
Dec-06	291,014,660	84,461	3,446	3,511.14
Mar-07	298,468,742	86,658	3,444	3,526.84
Jun-07	307,179,953	88,765	3,461	3,542.61

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	2.7%
9-points	2.5%
12-points	1.8%
15-points	1.3%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>

\$100 DEDUCTIBLE COLLISION

Sep-01	463,601	23,609	5.0925
Dec-01	460,367	23,255	5.0514
Mar-02	455,631	22,914	5.0291
Jun-02	450,387	22,559	5.0088
Sep-02	444,382	22,091	4.9712
Dec-02	438,618	21,301	4.8564
Mar-03	433,093	20,601	4.7567
Jun-03	426,246	20,134	4.7236
Sep-03	418,932	19,846	4.7373
Dec-03	411,164	19,734	4.7995
Mar-04	403,000	19,556	4.8526
Jun-04	395,276	19,173	4.8505
Sep-04	388,824	18,787	4.8317
Dec-04	384,540	18,211	4.7358
Mar-05	381,185	17,756	4.6581
Jun-05	378,115	17,536	4.6377
Sep-05	374,016	17,107	4.5739
Dec-05	368,822	16,847	4.5678
Mar-06	363,565	16,728	4.6011
Jun-06	358,640	16,328	4.5528
Sep-06	353,852	16,167	4.5689
Dec-06	349,661	16,299	4.6614
Mar-07	346,248	16,255	4.6946
Jun-07	343,408	16,511	4.8080

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	3.9%
9-points	1.7%
12-points	-0.3%
15-points	-1.1%
24-points	-1.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$200 DEDUCTIBLE COLLISION			
Sep-01	71,536	3,521	4.9220
Dec-01	70,617	3,493	4.9464
Mar-02	69,084	3,468	5.0200
Jun-02	67,954	3,397	4.9990
Sep-02	67,193	3,274	4.8725
Dec-02	66,837	3,173	4.7474
Mar-03	66,782	3,039	4.5506
Jun-03	66,191	2,921	4.4130
Sep-03	65,128	2,870	4.4067
Dec-03	64,071	2,816	4.3951
Mar-04	63,090	2,776	4.4001
Jun-04	62,227	2,743	4.4081
Sep-04	61,476	2,667	4.3383
Dec-04	60,887	2,553	4.1930
Mar-05	60,411	2,441	4.0407
Jun-05	59,901	2,459	4.1051
Sep-05	59,368	2,463	4.1487
Dec-05	58,803	2,448	4.1631
Mar-06	58,220	2,551	4.3817
Jun-06	57,662	2,473	4.2888
Sep-06	57,124	2,475	4.3327
Dec-06	56,606	2,489	4.3971
Mar-07	56,087	2,419	4.3129
Jun-07	55,649	2,418	4.3451

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.1%
9-points	3.0%
12-points	1.8%
15-points	0.0%
24-points	-2.8%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$250 DEDUCTIBLE COLLISION			
Sep-01	1,902,133	109,377	5.7502
Dec-01	1,917,020	107,245	5.5944
Mar-02	1,921,007	106,959	5.5679
Jun-02	1,923,248	105,597	5.4906
Sep-02	1,923,229	105,579	5.4897
Dec-02	1,923,162	104,850	5.4520
Mar-03	1,923,584	104,288	5.4215
Jun-03	1,915,245	104,075	5.4340
Sep-03	1,904,236	103,949	5.4588
Dec-03	1,892,940	103,084	5.4457
Mar-04	1,879,932	102,600	5.4576
Jun-04	1,868,280	101,423	5.4287
Sep-04	1,857,418	99,499	5.3568
Dec-04	1,855,161	97,644	5.2634
Mar-05	1,858,035	95,741	5.1528
Jun-05	1,861,622	95,034	5.1049
Sep-05	1,861,937	93,999	5.0485
Dec-05	1,854,840	93,138	5.0213
Mar-06	1,844,260	91,358	4.9536
Jun-06	1,845,111	90,225	4.8899
Sep-06	1,835,833	89,548	4.8778
Dec-06	1,829,329	90,193	4.9304
Mar-07	1,825,382	90,339	4.9490
Jun-07	1,813,111	91,064	5.0225

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.3%
9-points	-1.2%
12-points	-2.6%
15-points	-3.3%
24-points	-2.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$500 DEDUCTIBLE COLLISION			
Sep-01	1,315,759	68,437	5.2013
Dec-01	1,343,860	67,492	5.0222
Mar-02	1,360,734	68,249	5.0156
Jun-02	1,383,464	68,407	4.9446
Sep-02	1,410,501	69,637	4.9370
Dec-02	1,440,366	70,604	4.9018
Mar-03	1,476,409	71,400	4.8361
Jun-03	1,502,968	72,648	4.8336
Sep-03	1,525,523	74,145	4.8603
Dec-03	1,549,875	74,849	4.8294
Mar-04	1,568,465	76,284	4.8636
Jun-04	1,587,975	76,879	4.8413
Sep-04	1,607,622	76,836	4.7795
Dec-04	1,635,208	77,039	4.7113
Mar-05	1,669,731	76,894	4.6052
Jun-05	1,704,067	77,692	4.5592
Sep-05	1,737,927	78,608	4.5231
Dec-05	1,765,802	79,159	4.4829
Mar-06	1,792,611	79,462	4.4328
Jun-06	1,827,567	80,404	4.3995
Sep-06	1,860,990	81,668	4.3884
Dec-06	1,896,015	84,461	4.4547
Mar-07	1,930,510	86,658	4.4889
Jun-07	1,961,345	88,765	4.5257

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	2.1%
9-points	-0.5%
12-points	-2.1%
15-points	-2.8%
24-points	-2.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

ALL CARRIERS

\$100 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT		EXPONENTIAL
15 points	1.1%	1.1%		1.1%
12 points	1.1%	1.1%		1.1%
9 points	1.8%	1.8%		1.8%
6 points	2.3%	2.3%		2.4%

		STRAIGHT LINE		
FREQ	END POINT	MID POINT		EXPONENTIAL
24 points	-1.7%	-1.6%		-1.6%
15 points	-1.1%	-1.1%		-1.1%
12 points	-0.3%	-0.3%		-0.3%
9 points	1.7%	1.7%		1.7%
6 points	3.7%	3.8%		3.9%

\$200 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT		EXPONENTIAL
15 points	1.0%	1.0%		1.0%
12 points	1.9%	2.0%		2.0%
9 points	3.6%	3.7%		3.8%
6 points	4.6%	4.8%		4.9%

		STRAIGHT LINE		
FREQ	END POINT	MID POINT		EXPONENTIAL
24 points	-3.2%	-2.9%		-2.8%
15 points	0.0%	0.0%		0.0%
12 points	1.7%	1.8%		1.8%
9 points	2.8%	2.9%		3.0%
6 points	-0.1%	-0.1%		-0.1%

\$250 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT		EXPONENTIAL
15 points	1.1%	1.1%		1.1%
12 points	1.7%	1.7%		1.7%
9 points	1.8%	1.8%		1.8%
6 points	0.9%	0.9%		0.9%

		STRAIGHT LINE		
FREQ	END POINT	MID POINT		EXPONENTIAL
24 points	-2.9%	-2.7%		-2.6%
15 points	-3.6%	-3.3%		-3.3%
12 points	-2.8%	-2.7%		-2.6%
9 points	-1.2%	-1.2%		-1.2%
6 points	1.3%	1.3%		1.3%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2007

ALL CARRIERS

\$500 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.2%	1.3%	1.3%
12 points	1.7%	1.8%	1.8%
9 points	2.4%	2.4%	2.5%
6 points	2.6%	2.6%	2.7%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-2.8%	-2.6%	-2.6%
15 points	-3.0%	-2.9%	-2.8%
12 points	-2.3%	-2.2%	-2.1%
9 points	-0.5%	-0.5%	-0.5%
6 points	2.0%	2.1%	2.1%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

ALL CARRIERS

\$100 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.81	0.81
12 points	0.72	0.72
9 points	0.86	0.86
6 points	0.82	0.82

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.81	-0.81
15 points	-0.52	-0.52
12 points	-0.13	-0.13
9 points	0.66	0.66
6 points	0.87	0.87

\$200 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.39	0.38
12 points	0.56	0.55
9 points	0.69	0.69
6 points	0.72	0.73

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.78	-0.77
15 points	0.01	0.01
12 points	0.58	0.58
9 points	0.79	0.79
6 points	-0.06	-0.06

\$250 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.81	0.81
12 points	0.95	0.95
9 points	0.92	0.92
6 points	0.73	0.74

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.95	-0.95
15 points	-0.91	-0.91
12 points	-0.82	-0.82
9 points	-0.53	-0.53
6 points	0.59	0.59

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2007

ALL CARRIERS

\$500 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.85	0.85
12 points	0.93	0.93
9 points	0.96	0.96
6 points	0.97	0.97

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.95	-0.95
15 points	-0.87	-0.87
12 points	-0.75	-0.75
9 points	-0.26	-0.26
6 points	0.81	0.81

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE
UNINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident Year Ended	(2) Basic Limit Losses (A) (B)	(3) Exposures	(4) UM Pure Premium (2) / (3)
12/31/1995	44,334,967	4,712,510	9.41
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,456,228	5,919,084	9.20
12/31/2005	57,234,669	6,101,254	9.38
12/31/2006	59,748,550	6,234,654	9.58

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	-1.2%
6 points	-0.4%
9 points	-0.2%
12 points	-0.3%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1995 - 12/31/2006.

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE
 UNDERINSURED MOTORISTS
 PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	73,996,769	3,844,061	19.25
12/31/2005	74,957,287	3,962,368	18.92
12/31/2006	90,526,785	4,049,003	22.36

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	8.4%
6 points	5.5%
7 points	4.6%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.22%	3.39%	3.31%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.15%	3.04%	3.10%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.81%	3.24%	3.03%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	4.63%	4.61%	4.62%
(5) Average Annual Index (D)			
Year Ended 3/31/2005	190.30	183.13	
Year Ended 9/30/2005	193.51	186.93	
Year Ended 3/31/2006	197.04	189.88	
Year Ended 9/30/2006	200.63	192.13	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2005	1.10	1.10	1.10
Year Ended 9/30/2005	1.08	1.08	1.08
Year Ended 3/31/2006	1.06	1.06	1.06
Year Ended 9/30/2006	1.04	1.05	1.05
Year Ended 3/31/2007	1.03	1.03	1.03
Year Ended 9/30/2007	1.02	1.02	1.02

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY

AVERAGE ANNUAL RATES OF CHANGE
DATA ENDED SEPTEMBER 2007

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.98%	3.17%	3.22%
36 points	2.96%	3.10%	3.15%
24 points	2.70%	2.78%	2.81%
12 points	4.43%	4.52%	4.63%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	3.13%	3.32%	3.39%
12 points	2.88%	3.00%	3.04%
8 points	3.11%	3.20%	3.24%
4 points	4.43%	4.50%	4.61%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2007

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.99	0.99
36 points	0.97	0.97
24 points	0.92	0.92
12 points	0.95	0.95

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.99
8 points	0.98	0.99
4 points	1.00	1.00

Countrywide External Expense Trend

	Consumer Price Index (a)	Compensation Cost Index (b)		Consumer Price Index (a)	Compensation Cost Index (b)
7/02	180.1		3/05	193.3	
8/02	180.7	167.1	4/05	194.6	
9/02	181.0		5/05	194.4	188.8
10/02	181.3		6/05	194.5	
11/02	181.3	167.9	7/05	195.4	
12/02	180.9		8/05	196.4	189.0
1/03	181.7		9/05	198.8	
2/03	183.1	172.1	10/05	199.2	
3/03	184.2		11/05	197.6	190.0
4/03	183.8		12/05	196.8	
5/03	183.5	173.9	1/06	198.3	
6/03	183.7		2/06	198.7	191.7
7/03	183.9		3/06	199.8	
8/03	184.6	175.1	4/06	201.5	
9/03	185.2		5/06	202.5	193.0
10/03	185.0		6/06	202.9	
11/03	184.5	176.2	7/06	203.5	
12/03	184.3		8/06	203.9	193.8
1/04	185.2		9/06	202.9	
2/04	186.2	177.8	10/06	201.8	
3/04	187.4		11/06	201.5	194.9
4/04	188.0		12/06	201.8	
5/04	189.1	180.5	1/07	202.4	
6/04	189.7		2/07	203.5	196.7
7/04	189.4		3/07	205.4	
8/04	189.5	182.1	4/07	206.7	
9/04	189.9		5/07	207.9	199.5
10/04	190.9		6/07	208.4	
11/04	191.0	183.6	7/07	208.3	
12/04	190.3		8/07	207.9	201.4
1/05	190.7		9/07	208.5	
2/05	191.8	186.3			

(a) Consumer Price Index for all items, all urban consumers.

Source: Bureau of Labor Statistics, Monthly Labor Review, Table 30.

(b) Total Compensation Cost Index - Insurance Carriers, Agents Brokers, and Service.

Source: Bureau of Labor Statistics.

The data collected under the North Carolina Rate Bureau Special Call for Expense Experience for the latest five years is shown on pages H-539-542.

See the attached Exhibit (4)(d), Section D of RB-1 and the pre-filed testimony of P. Woods and M. Miller.

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

	(1)	(2)		(3)	(4)
<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1985:4	0.992	2.0%	1996:4	1.067	10.4%
1986:1	0.908	-3.5%	1997:1	1.070	8.1%
1986:2	0.763	-24.0%	1997:2	1.053	-5.0%
1986:3	0.718	-28.7%	1997:3	1.067	-0.2%
1986:4	0.690	-30.4%	1997:4	1.040	-2.6%
1987:1	0.750	-17.4%	1998:1	0.937	-12.5%
1987:2	0.794	4.0%	1998:2	0.932	-11.5%
1987:3	0.835	16.2%	1998:3	0.913	-14.5%
1987:4	0.827	19.7%	1998:4	0.884	-15.0%
1988:1	0.783	4.4%	1999:1	0.845	-9.8%
1988:2	0.806	1.6%	1998:2	0.999	7.2%
1988:3	0.832	-0.3%	1999:3	1.063	16.4%
1988:4	0.811	-1.9%	1999:4	1.099	24.3%
1989:1	0.803	2.5%	2000:1	1.200	42.1%
1989:2	0.950	17.9%	2000:2	1.313	31.4%
1989:3	0.915	10.0%	2000:3	1.325	24.7%
1989:4	0.871	7.4%	2000:4	1.305	18.8%
1990:1	0.900	12.1%	2001:1	1.253	4.4%
1990:2	0.927	-2.5%	2001:2	1.400	6.7%
1990:3	1.031	12.7%	2001:3	1.256	-5.2%
1990:4	1.182	35.7%	2001:4	1.049	-19.6%
1991:1	1.005	11.7%	2002:1	1.006	-19.7%
1991:2	0.989	6.7%	2002:2	1.204	-14.0%
1991:3	0.991	-3.9%	2002:3	1.208	-3.8%
1991:4	0.985	-16.7%	2002:4	1.223	16.5%
1992:1	0.934	-7.1%	2003:1	1.376	36.7%
1992:2	0.991	0.2%	2003:2	1.333	10.8%
1992:3	1.022	3.1%	2003:3	1.383	14.5%
1992:4	1.013	2.8%	2003:4	1.313	7.4%
1993:1	0.978	4.7%	2004:1	1.428	3.8%
1993:2	0.991	0.1%	2004:2	1.659	24.5%
1993:3	0.969	-5.1%	2004:3	1.621	17.2%
1993:4	0.971	-4.1%	2004:4	1.679	27.9%
1994:1	0.926	-5.3%	2005:1	1.647	15.3%
1994:2	0.959	-3.2%	2005:2	1.883	13.5%
1994:3	1.027	5.9%	2005:3	2.189	35.1%
1994:4	1.015	4.6%	2005:4	2.069	23.3%
1995:1	0.978	5.6%	2006:1	2.000	21.4%
1995:2	1.033	7.6%	2006:2	2.438	29.5%
1995:3	1.015	-1.2%	2006:3	2.423	10.7%
1995:4	0.967	-4.8%	2006:4	1.937	-6.4%
1996:1	0.990	1.3%	2007:1	2.022	1.1%
1996:2	1.108	7.3%	2007:2	2.555	4.8%
1996:3	1.069	5.3%	2007:3	2.423	0.0%

NORTH CAROLINA
PERSONAL AUTO INSURANCE

RETAIL PRICES OF MOTOR FUEL

<u>Date</u>	<u>Regular Gasoline</u>	<u>Midgrade Gasoline</u>	<u>Premium Gasoline</u>
Sep-03	1.517	1.622	1.704
Oct-03	1.435	1.541	1.620
Nov-03	1.405	1.508	1.589
Dec-03	1.381	1.511	1.594
Jan-04	1.520	1.615	1.704
Feb-04	1.577	1.675	1.760
Mar-04	1.640	1.745	1.826
Apr-04	1.698	1.798	1.878
May-04	1.868	1.962	2.047
Jun-04	1.871	1.978	2.058
Jul-04	1.821	1.923	2.012
Aug-04	1.799	1.899	1.996
Sep-04	1.790	1.889	1.983
Oct-04	1.905	2.006	2.095
Nov-04	1.898	1.998	2.087
Dec-04	1.771	1.875	1.957
Jan-05	1.776	1.875	1.959
Feb-05	1.846	1.944	2.027
Mar-05	2.000	2.097	2.169
Apr-05	2.187	2.288	2.373
May-05	2.086	2.195	2.274
Jun-05	2.084	2.181	2.273
Jul-05	2.208	2.312	2.400
Aug-05	2.446	2.544	2.618
Sep-05	2.921	3.024	3.134
Oct-05	2.810	2.924	3.004
Nov-05	2.260	2.359	2.454
Dec-05	2.120	2.220	2.311
Jan-06	2.314	2.412	2.511
Feb-06	2.224	2.348	2.438
Mar-06	2.399	2.500	2.586
Apr-06	2.774	2.876	2.946
May-06	2.791	2.899	2.981
Jun-06	2.770	2.874	2.963
Jul-06	2.894	2.997	3.086
Aug-06	2.889	2.992	3.077
Sep-06	2.431	2.551	2.640
Oct-06	2.156	2.260	2.358
Nov-06	2.190	2.297	2.392
Dec-06	2.264	2.375	2.471
Jan-07	2.163	2.273	2.366
Feb-07	2.186	2.293	2.393
Mar-07	2.481	2.586	2.686
Apr-07	2.764	2.876	2.983
May-07	2.991	3.100	3.241
Jun-07	2.924	3.038	3.177
Jul-07	2.854	2.966	3.108
Aug-07	2.679	2.794	2.938

Source: U.S. Dept. of Transportation, Federal Highway Administration

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks. In addition, the data include highway use, non-highway use, and losses.

		Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Jan	2001	337,065	36.7%	4,205,372	1.3%
Feb	2001	313,281	-2.8%	4,196,441	0.4%
Mar	2001	352,485	-0.2%	4,195,809	0.2%
Apr	2001	349,404	3.2%	4,206,748	0.4%
May	2001	362,668	-0.8%	4,203,974	0.0%
Jun	2001	359,808	-0.8%	4,200,933	-0.3%
Jul	2001	365,105	3.3%	4,212,564	0.1%
Aug	2001	386,702	2.8%	4,223,191	0.6%
Sep	2001	345,463	1.6%	4,228,469	1.1%
Oct	2001	356,981	-0.9%	4,225,050	0.7%
Nov	2001	364,974	6.0%	4,245,572	1.5%
Dec	2001	349,756	-0.5%	4,243,692	3.1%
Jan	2002	324,599	-3.7%	4,231,226	0.6%
Feb	2002	314,049	0.2%	4,231,994	0.8%
Mar	2002	373,224	5.9%	4,252,733	1.4%
Apr	2002	362,307	3.7%	4,265,636	1.4%
May	2002	385,935	6.4%	4,288,903	2.0%
Jun	2002	353,515	-1.7%	4,282,610	1.9%
Jul	2002	381,819	4.6%	4,299,324	2.1%
Aug	2002	388,322	0.4%	4,300,944	1.8%
Sep	2002	348,880	1.0%	4,304,361	1.8%
Oct	2002	369,854	3.6%	4,317,234	2.2%
Nov	2002	360,420	-1.2%	4,312,680	1.6%
Dec	2002	358,955	2.6%	4,321,879	1.8%
Jan	2003	350,647	8.0%	4,347,927	2.8%
Feb	2003	309,803	-1.4%	4,343,681	2.6%
Mar	2003	352,649	-5.5%	4,323,106	1.7%
Apr	2003	352,764	-2.6%	4,313,563	1.1%
May	2003	382,431	-0.9%	4,310,059	0.5%
Jun	2003	368,673	4.3%	4,325,217	1.0%
Jul	2003	392,732	2.9%	4,336,130	0.9%
Aug	2003	396,930	2.2%	4,344,738	1.0%
Sep	2003	364,449	4.5%	4,360,307	1.3%
Oct	2003	383,700	3.7%	4,374,153	1.3%
Nov	2003	356,887	-1.0%	4,370,620	1.3%
Dec	2003	373,497	4.1%	4,385,162	1.5%
Jan	2004	335,346	-4.4%	4,369,861	0.5%
Feb	2004	340,455	9.9%	4,400,513	1.3%
Mar	2004	383,324	8.7%	4,431,188	2.5%
Apr	2004	366,911	4.0%	4,445,335	3.1%
May	2004	425,388	11.2%	4,488,292	4.1%
Jun	2004	353,521	-4.1%	4,473,140	3.4%

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks. In addition, the data include highway use, non-highway use, and losses.

	Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Jul 2004	390,399	-0.6%	4,470,807	3.1%
Aug 2004	387,946	-2.3%	4,461,823	2.7%
Sep 2004	365,851	0.4%	4,463,225	2.4%
Oct 2004	377,443	-1.6%	4,456,968	1.9%
Nov 2004	374,005	4.8%	4,474,086	2.4%
Dec 2004	366,853	-1.8%	4,467,442	1.9%
Jan 2005	346,365	3.3%	4,478,461	2.5%
Feb 2005	367,155	7.8%	4,505,161	2.4%
Mar 2005	370,937	-3.2%	4,492,774	1.4%
Apr 2005	366,054	-0.2%	4,491,917	1.0%
May 2005	401,405	-5.6%	4,467,934	-0.5%
Jun 2005	365,062	3.3%	4,479,475	0.1%
Jul 2005	387,456	-0.8%	4,476,532	0.1%
Aug 2005	407,188	5.0%	4,495,774	0.8%
Sep 2005	410,122	12.1%	4,540,045	1.7%
Oct 2005	296,331	-21.5%	4,458,933	0.0%
Nov 2005	331,742	-11.3%	4,416,670	-1.3%
Dec 2005	425,530	16.0%	4,475,347	0.2%
Jan 2006	342,777	-1.0%	4,471,759	-0.1%
Feb 2006	334,966	-8.8%	4,439,570	-1.5%
Mar 2006	374,562	1.0%	4,443,195	-1.1%
Apr 2006	364,564	-0.4%	4,441,705	-1.1%
May 2006	392,926	-2.1%	4,433,226	-0.8%
Jun 2006	373,486	2.3%	4,441,650	-0.8%
Jul 2006	379,966	-1.9%	4,434,160	-0.9%
Aug 2006	399,075	-2.0%	4,426,047	-1.6%
Sep 2006	362,003	-11.7%	4,377,928	-3.6%
Oct 2006	381,321	28.7%	4,462,918	0.1%
Nov 2006	365,615	10.2%	4,496,791	1.8%
Dec 2006	375,139	-11.8%	4,446,400	-0.6%
Jan 2007	359,663	4.9%	4,463,286	-0.2%
Feb 2007	341,920	2.1%	4,470,240	0.7%
Mar 2007	380,157	1.5%	4,475,835	0.7%
Apr 2007	379,268	4.0%	4,490,539	1.1%
May 2007	393,029	0.0%	4,490,642	1.3%
Jun 2007	354,724	-5.0%	4,471,880	0.7%
Jul 2007	421,394	10.9%	4,513,308	1.8%
Aug 2007	398,760	-0.1%	4,512,993	2.0%

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
1/01	209.3	2,701.6	0.6%	10,422.2	133,092.7	0.1%
2/01	199.9	2,706.3	0.6%	10,207.4	132,975.7	-0.2%
3/01	231.5	2,710.0	0.5%	10,916.8	133,248.2	0.1%
4/01	231.4	2,718.2	0.7%	11,134.2	133,273.5	0.0%
5/01	244.3	2,724.9	0.7%	11,536.2	133,162.9	-0.2%
6/01	242.6	2,729.2	0.8%	11,705.6	133,557.4	0.3%
7/01	248.8	2,737.7	1.2%	11,691.1	133,708.9	0.4%
8/01	251.7	2,746.5	1.5%	11,894.2	133,929.1	0.8%
9/01	224.6	2,748.5	1.6%	10,978.4	133,925.5	0.8%
10/01	240.0	2,756.7	2.0%	11,281.5	133,954.6	0.6%
11/01	229.5	2,767.8	2.6%	11,093.0	134,183.7	1.0%
12/01	228.1	2,781.7	3.3%	11,360.1	134,220.7	1.2%
1/02	213.7	2,786.1	3.1%	10,751.1	134,549.6	1.1%
2/02	206.4	2,792.6	3.2%	10,230.3	134,572.5	1.2%
3/02	234.0	2,795.1	3.1%	11,265.8	134,921.5	1.3%
4/02	234.7	2,798.4	3.0%	11,469.3	135,256.6	1.5%
5/02	249.7	2,803.8	2.9%	12,062.9	135,783.3	2.0%
6/02	246.3	2,807.5	2.9%	11,669.3	135,747.0	1.6%
7/02	253.9	2,812.6	2.7%	12,083.0	136,138.9	1.8%
8/02	256.0	2,816.9	2.6%	12,189.1	136,433.8	1.9%
9/02	230.9	2,823.2	2.7%	11,501.3	136,956.7	2.3%
10/02	243.3	2,826.5	2.5%	11,653.4	137,328.6	2.5%
11/02	228.5	2,825.5	2.1%	11,407.2	137,642.8	2.6%
12/02	231.4	2,828.8	1.7%	11,454.3	137,737.0	2.6%
1/03	217.9	2,833.0	1.7%	11,126.9	138,112.8	2.6%
2/03	202.8	2,829.4	1.3%	10,064.7	137,947.2	2.5%
3/03	236.9	2,832.3	1.3%	11,273.6	137,955.0	2.2%
4/03	239.2	2,836.8	1.4%	11,396.9	137,882.6	1.9%
5/03	253.9	2,841.0	1.3%	12,040.2	137,859.9	1.5%
6/03	252.7	2,847.4	1.4%	11,929.4	138,120.0	1.7%
7/03	262.0	2,855.5	1.5%	12,257.1	138,294.1	1.6%
8/03	260.4	2,859.9	1.5%	12,340.3	138,445.3	1.5%
9/03	237.0	2,866.0	1.5%	11,599.3	138,543.3	1.2%
10/03	254.3	2,877.0	1.8%	11,889.0	138,778.9	1.1%
11/03	234.3	2,882.8	2.0%	11,388.1	138,759.8	0.8%
12/03	239.5	2,890.9	2.2%	11,834.6	139,140.1	1.0%
1/04	221.7	2,894.7	2.2%	11,351.8	139,365.0	0.9%
2/04	213.2	2,905.1	2.7%	11,108.9	140,409.2	1.8%
3/04	251.6	2,919.8	3.1%	11,792.9	140,928.5	2.2%
4/04	251.2	2,931.8	3.3%	11,992.3	141,523.9	2.6%
5/04	256.6	2,934.5	3.3%	12,297.2	141,780.9	2.8%
6/04	257.4	2,939.2	3.2%	11,960.3	141,811.8	2.7%

Source: U. S. Department of Transportation, Federal Highway Administration

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
7/04	265.7	2,942.9	3.1%	12,307.4	141,862.1	4.2%
8/04	262.5	2,945.0	3.0%	12,316.8	141,838.6	4.0%
9/04	242.6	2,950.6	3.0%	12,044.6	142,283.9	3.9%
10/04	253.7	2,950.0	2.5%	11,816.6	142,211.5	3.6%
11/04	240.3	2,956.0	2.5%	11,590.8	142,414.2	3.5%
12/04	246.0	2,962.5	2.5%	12,277.3	142,856.9	3.7%
1/05	222.0	2,962.8	2.4%	11,118.9	142,624.0	3.3%
2/05	218.1	2,967.7	2.2%	10,891.2	142,406.3	3.2%
3/05	251.3	2,967.4	1.6%	11,885.8	142,499.2	3.3%
4/05	248.7	2,964.9	1.1%	11,704.3	142,211.2	3.1%
5/05	260.1	2,968.4	1.2%	12,282.4	142,196.4	3.1%
6/05	262.0	2,973.0	1.1%	12,228.1	142,464.2	3.1%
7/05	265.5	2,972.8	1.0%	12,460.3	142,617.1	0.5%
8/05	263.4	2,973.7	1.0%	12,648.8	142,949.1	0.8%
9/05	239.7	2,970.8	0.7%	11,547.5	142,452.0	0.1%
10/05	250.1	2,967.2	0.6%	11,670.6	142,306.0	0.1%
11/05	241.6	2,968.5	0.4%	11,436.4	142,151.6	-0.2%
12/05	242.9	2,965.4	0.1%	12,022.3	141,896.6	-0.7%
1/06	231.3	2,974.7	0.4%	11,142.7	141,920.4	-0.5%
2/06	219.4	2,976.0	0.3%	10,888.0	141,917.2	-0.3%
3/06	255.0	2,979.7	0.4%	11,815.1	141,846.5	-0.5%
4/06	248.8	2,979.8	0.5%	11,699.1	141,841.3	-0.3%
5/06	262.7	2,982.4	0.5%	12,053.9	141,612.8	-0.4%
6/06	261.7	2,982.1	0.3%	11,823.8	141,208.5	-0.9%
7/06	261.2	2,977.8	0.2%	12,201.7	140,949.9	-1.2%
8/06	265.2	2,979.6	0.2%	12,296.3	140,597.4	-1.6%
9/06	245.1	2,985.0	0.5%	11,888.0	140,937.9	-1.1%
10/06	256.7	2,991.6	0.8%	11,985.7	141,253.0	-0.7%
11/06	244.5	2,994.5	0.9%	11,580.0	141,396.6	-0.5%
12/06	244.9	2,996.5	1.0%	12,156.9	141,531.2	-0.3%
1/06	229.4	2,994.6	0.7%			
2/06	216.2	2,991.4	0.5%			
3/06	255.4	2,991.8	0.4%			
4/06	248.2	2,991.2	0.4%			
5/06	264.6	2,993.1	0.4%			
6/06	260.8	2,992.2	0.3%			
7/06	262.4	2,993.4	0.5%			
8/06	268.9	2,997.1	0.6%			
9/06	243.2	2,995.2	0.3%			
10/06	256.9	2,995.4	0.1%			

Source: U. S. Department of Transportation, Federal Highway Administration

COMPONENTS OF THE CPI INDEX
MONTHLY PERCENT CHANGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
<u>Month</u>	<u>All Items</u>	<u>Med. Care</u>	<u>Phys. Serv.</u>	<u>Hospital & Other Related Services</u>	<u>Income</u>	<u>Auto Bodywork</u>	<u>All Items</u>	<u>Metal/MPR</u>
1/2003	0.4%	0.4%	0.3%	0.9%	0.0%	-0.1%	1.8%	0.3%
2/2003	0.8%	0.4%	0.4%	0.6%	0.2%	0.3%	1.7%	0.5%
3/2003	0.6%	0.2%	0.0%	0.1%	0.3%	0.3%	2.6%	0.2%
4/2003	-0.2%	0.1%	0.3%	0.0%	-0.7%	0.0%	-3.1%	-0.2%
5/2003	-0.2%	0.3%	0.3%	0.1%	0.7%	0.0%	-0.1%	0.1%
6/2003	0.1%	0.3%	-0.1%	0.7%	-0.1%	0.2%	1.0%	0.0%
7/2003	0.1%	0.4%	0.3%	0.7%	0.3%	0.2%	-0.2%	0.1%
8/2003	0.4%	0.3%	0.0%	0.8%	0.1%	0.1%	0.2%	0.5%
9/2003	0.3%	0.3%	0.1%	0.4%	-0.1%	-0.1%	0.4%	0.4%
10/2003	-0.1%	0.2%	0.3%	0.3%	0.4%	0.2%	0.6%	0.5%
11/2003	-0.3%	0.3%	0.0%	1.2%	0.6%	0.1%	-0.3%	0.9%
12/2003	-0.1%	0.4%	0.3%	0.3%	-0.6%	0.6%	0.4%	1.3%
1/2004	0.5%	0.5%	0.5%	0.7%	0.7%	0.0%	1.4%	2.1%
2/2004	0.5%	0.8%	1.3%	0.7%	0.3%	0.2%	0.5%	3.2%
3/2004	0.6%	0.5%	0.8%	0.3%	-0.1%	0.4%	0.7%	2.6%
4/2004	0.3%	0.3%	0.2%	0.0%	0.2%	0.4%	1.2%	1.8%
5/2004	0.6%	0.2%	0.1%	0.2%	0.6%	0.5%	1.4%	0.3%
6/2004	0.3%	0.3%	0.1%	0.6%	-0.5%	-0.1%	0.3%	0.2%
7/2004	-0.2%	0.3%	0.1%	0.5%	0.6%	0.1%	0.1%	2.7%
8/2004	0.1%	0.2%	0.5%	-0.1%	0.2%	0.2%	0.4%	1.8%
9/2004	0.2%	0.2%	0.1%	0.4%	0.6%	0.6%	-0.2%	0.5%
10/2004	0.5%	0.3%	0.2%	0.5%	0.1%	0.3%	1.6%	1.6%
11/2004	0.1%	0.3%	0.1%	0.6%	0.0%	0.0%	0.9%	1.0%
12/2004	-0.4%	0.3%	0.0%	0.7%	0.5%	-0.1%	-0.8%	0.3%
1/2005	0.2%	0.6%	0.4%	0.7%	-0.1%	-0.1%	0.5%	0.7%
2/2005	0.6%	0.8%	1.1%	0.9%	0.1%	0.1%	0.5%	0.2%
3/2005	0.8%	0.4%	0.2%	0.6%	0.3%	0.3%	1.4%	-0.1%
4/2005	0.7%	0.2%	0.3%	0.0%	0.5%	0.7%	0.8%	0.4%
5/2005	-0.1%	0.2%	0.3%	0.0%	0.0%	0.5%	-0.5%	-1.1%
6/2005	0.1%	0.2%	0.0%	0.1%	0.1%	0.3%	0.0%	-1.1%
7/2005	0.5%	0.4%	0.2%	0.7%	0.5%	0.4%	1.3%	-0.1%
8/2005	0.5%	-0.1%	0.1%	-0.3%	0.1%	0.3%	0.8%	0.6%
9/2005	1.2%	0.2%	0.1%	0.0%	0.5%	1.1%	2.9%	1.7%
10/2005	0.2%	0.5%	0.1%	0.9%	0.6%	0.2%	2.5%	0.5%
11/2005	-0.8%	0.6%	0.0%	1.4%	0.1%	0.3%	-1.5%	1.9%
12/2005	-0.4%	0.1%	0.1%	0.0%	0.4%	0.5%	-0.4%	1.0%
1/2006	0.8%	0.3%	-0.3%	0.9%	0.4%	0.2%	0.8%	1.1%
2/2006	0.2%	0.8%	0.5%	1.5%	0.4%	0.9%	-1.5%	1.4%
3/2006	0.6%	0.5%	0.6%	0.6%	0.4%	0.2%	0.2%	0.6%
4/2006	0.9%	0.3%	0.0%	0.3%	0.8%	-0.4%	1.3%	2.8%
5/2006	0.5%	0.3%	0.1%	0.3%	-0.1%	0.4%	0.9%	4.1%
6/2006	0.2%	0.1%	0.0%	0.3%	0.7%	0.4%	0.2%	0.4%
7/2006	0.3%	0.3%	0.1%	0.4%	0.4%	0.4%	0.4%	1.4%
8/2006	0.2%	0.2%	0.1%	0.4%	0.0%	0.3%	0.7%	-0.3%
9/2006	-0.5%	0.2%	0.0%	0.2%	0.2%	0.4%	-1.5%	0.4%
10/2006	-0.5%	0.3%	0.2%	0.5%	0.7%	0.0%	-1.9%	-0.2%
11/2006	-0.1%	0.2%	0.2%	0.7%	0.0%	0.4%	1.5%	-0.7%
12/2006	0.1%	0.0%	0.2%	-0.1%	0.8%	0.3%	0.6%	0.3%
1/2007	0.3%	1.0%	1.2%	1.1%	-0.1%	0.7%	-1.0%	-0.4%
2/2007	0.5%	0.9%	1.3%	1.2%	0.1%	0.4%	1.7%	0.8%
3/2007	0.9%	0.2%	0.1%	0.5%	0.9%	0.1%	1.5%	2.1%
4/2007	0.6%	0.3%	0.0%	0.4%	-0.1%	0.1%	1.2%	2.3%
5/2007	0.6%	0.2%	0.1%	0.4%	0.4%	-0.1%	1.1%	0.5%
6/2007	0.2%	0.1%	0.1%	0.2%	0.8%	0.0%	0.3%	-0.2%
7/2007	0.0%	0.6%	0.4%	0.9%	0.0%	0.1%	0.6%	-0.1%
8/2007	-0.2%	0.4%	0.2%	0.3%	0.3%	0.2%	-1.4%	-0.4%
9/2007	0.3%	0.2%	0.0%	0.6%	0.3%	0.3%	0.6%	-0.6%

COMPONENTS OF THE CPI INDEX
ANNUAL PERCENT CHANGES

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
<u>Month</u>	<u>All Items</u>	<u>Med. Care</u>	<u>Phys. Serv.</u>	<u>Hospital & Other Related Services</u>	<u>Income</u>	<u>Auto Bodywork</u>	<u>All Items</u>	<u>Metal/MPR</u>
1/2003	2.6%	4.6%	2.7%	9.2%	3.0%	1.8%	5.3%	3.2%
2/2003	3.0%	4.5%	3.1%	8.9%	3.1%	2.2%	7.2%	3.5%
3/2003	3.0%	4.3%	3.0%	8.2%	2.9%	2.2%	8.8%	3.2%
4/2003	2.2%	4.0%	3.3%	7.3%	2.1%	2.2%	4.6%	2.6%
5/2003	2.1%	4.0%	3.4%	6.7%	2.5%	2.2%	4.5%	2.1%
6/2003	2.1%	4.1%	3.1%	7.3%	2.0%	1.8%	5.4%	1.5%
7/2003	2.1%	3.8%	2.3%	7.4%	2.3%	1.4%	5.0%	1.3%
8/2003	2.2%	3.9%	2.4%	7.2%	1.8%	1.3%	4.9%	1.9%
9/2003	2.3%	4.0%	2.6%	7.0%	1.4%	1.0%	4.7%	1.9%
10/2003	2.0%	3.7%	2.3%	6.4%	1.7%	1.2%	4.6%	2.5%
11/2003	1.8%	3.5%	2.0%	6.5%	2.2%	1.0%	4.4%	3.2%
12/2003	1.9%	3.7%	2.3%	6.4%	1.2%	1.9%	5.0%	4.6%
1/2004	1.9%	3.8%	2.5%	6.2%	1.9%	2.0%	4.5%	6.5%
2/2004	1.7%	4.2%	3.4%	6.3%	1.9%	1.8%	3.3%	9.3%
3/2004	1.7%	4.5%	4.2%	6.5%	1.5%	1.9%	1.3%	12.0%
4/2004	2.3%	4.7%	4.2%	6.4%	2.4%	2.4%	5.8%	14.3%
5/2004	3.1%	4.6%	3.9%	6.6%	2.3%	2.8%	7.4%	14.6%
6/2004	3.3%	4.6%	4.1%	6.4%	2.0%	2.5%	6.7%	14.8%
7/2004	3.0%	4.5%	3.9%	6.2%	2.3%	2.4%	7.0%	17.8%
8/2004	2.7%	4.4%	4.4%	5.2%	2.4%	2.6%	7.2%	19.4%
9/2004	2.5%	4.4%	4.4%	5.2%	3.0%	3.3%	6.6%	19.5%
10/2004	3.2%	4.5%	4.3%	5.4%	2.8%	3.5%	7.7%	20.7%
11/2004	3.5%	4.4%	4.3%	4.8%	2.1%	3.4%	9.0%	20.7%
12/2004	3.3%	4.2%	4.0%	5.2%	3.2%	2.7%	7.7%	19.5%
1/2005	3.0%	4.3%	3.9%	5.2%	2.3%	2.5%	6.7%	17.8%
2/2005	3.0%	4.3%	3.7%	5.4%	2.2%	2.4%	6.7%	14.5%
3/2005	3.1%	4.3%	3.1%	5.7%	2.6%	2.3%	7.4%	11.5%
4/2005	3.5%	4.3%	3.3%	5.7%	3.0%	2.6%	7.0%	10.0%
5/2005	2.8%	4.3%	3.5%	5.5%	2.3%	2.6%	5.1%	8.4%
6/2005	2.5%	4.2%	3.4%	5.0%	2.9%	3.1%	4.8%	7.0%
7/2005	3.2%	4.2%	3.6%	5.2%	2.8%	3.4%	6.0%	4.0%
8/2005	3.6%	3.9%	3.1%	5.0%	2.7%	3.4%	6.5%	2.9%
9/2005	4.7%	3.9%	3.1%	4.6%	2.7%	4.0%	9.8%	4.1%
10/2005	4.3%	4.1%	3.0%	5.0%	3.1%	3.8%	10.8%	3.1%
11/2005	3.5%	4.5%	3.0%	5.8%	3.2%	4.0%	8.1%	4.0%
12/2005	3.4%	4.3%	3.1%	5.1%	3.1%	4.8%	8.5%	4.8%
1/2006	4.0%	4.0%	2.3%	5.2%	3.6%	5.1%	8.9%	5.3%
2/2006	3.6%	4.0%	1.6%	5.9%	3.8%	6.0%	6.7%	6.5%
3/2006	3.4%	4.1%	1.9%	5.9%	3.9%	5.8%	5.5%	7.2%
4/2006	3.5%	4.1%	1.6%	6.3%	4.1%	4.7%	6.0%	9.8%
5/2006	4.2%	4.2%	1.4%	6.6%	4.0%	4.5%	7.5%	15.6%
6/2006	4.3%	4.1%	1.4%	6.8%	4.7%	4.6%	7.6%	17.3%
7/2006	4.1%	4.0%	1.3%	6.4%	4.5%	4.6%	6.7%	19.1%
8/2006	3.8%	4.3%	1.4%	7.2%	4.4%	4.5%	6.5%	18.1%
9/2006	2.1%	4.2%	1.2%	7.3%	4.1%	3.8%	2.0%	16.5%
10/2006	1.3%	4.0%	1.4%	6.9%	4.2%	3.6%	-2.4%	15.7%
11/2006	2.0%	3.7%	1.5%	6.3%	4.2%	3.7%	0.5%	12.7%
12/2006	2.5%	3.6%	1.7%	6.1%	4.6%	3.4%	1.6%	11.9%
1/2007	2.1%	4.3%	3.2%	6.3%	4.1%	3.9%	-0.2%	10.1%
2/2007	2.4%	4.3%	4.1%	6.0%	3.8%	3.5%	3.1%	9.5%
3/2007	2.8%	4.0%	3.6%	5.8%	4.3%	3.4%	4.4%	11.1%
4/2007	2.6%	4.0%	3.7%	5.9%	3.4%	3.9%	4.3%	10.5%
5/2007	2.7%	4.0%	3.6%	6.0%	4.0%	3.4%	4.5%	6.6%
6/2007	2.7%	4.0%	3.8%	5.8%	4.0%	3.1%	4.6%	5.9%
7/2007	2.4%	4.3%	4.0%	6.4%	3.6%	2.8%	4.9%	4.4%
8/2007	2.0%	4.5%	4.1%	6.4%	3.9%	2.8%	2.7%	4.3%
9/2007	2.8%	4.6%	4.1%	6.8%	4.0%	2.6%	4.9%	3.3%

CPI ALL ITEMS (URBAN) - LESS ENERGY
ANNUAL PERCENT CHANGE

	(1)	(2)		(1)	(2)
<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1/2002	1.857	2.6%	1/2005	1.964	2.3%
2/2002	1.865	2.6%	2/2005	1.973	2.4%
3/2002	1.871	2.5%	3/2005	1.983	2.4%
4/2002	1.875	2.5%	4/2005	1.986	2.3%
5/2002	1.874	2.5%	5/2005	1.986	2.2%
6/2002	1.873	2.2%	6/2005	1.985	2.1%
7/2002	1.875	2.1%	7/2005	1.987	2.2%
8/2002	1.881	2.2%	8/2005	1.989	2.2%
9/2002	1.884	2.1%	9/2005	1.992	2.0%
10/2002	1.888	2.0%	10/2005	2.001	2.1%
11/2002	1.889	1.9%	11/2005	2.002	2.1%
12/2002	1.886	1.8%	12/2005	2.001	2.2%
1/2003	1.890	1.8%	1/2006	2.008	2.2%
2/2003	1.897	1.7%	2/2006	2.016	2.2%
3/2003	1.902	1.7%	3/2006	2.026	2.2%
4/2003	1.902	1.4%	4/2006	2.030	2.2%
5/2003	1.903	1.5%	5/2006	2.033	2.4%
6/2003	1.903	1.6%	6/2006	2.036	2.6%
7/2003	1.905	1.6%	7/2006	2.039	2.6%
8/2003	1.908	1.4%	8/2006	2.044	2.8%
9/2003	1.910	1.4%	9/2006	2.049	2.9%
10/2003	1.917	1.5%	10/2006	2.056	2.7%
11/2003	1.916	1.4%	11/2006	2.053	2.5%
12/2003	1.915	1.5%	12/2006	2.051	2.5%
1/2004	1.919	1.5%	1/2007	2.060	2.6%
2/2004	1.927	1.6%	2/2007	2.071	2.7%
3/2004	1.937	1.8%	3/2007	2.079	2.6%
4/2004	1.941	2.1%	4/2007	2.082	2.6%
5/2004	1.943	2.1%	5/2007	2.084	2.5%
6/2004	1.944	2.2%	6/2007	2.086	2.5%
7/2004	1.945	2.1%	7/2007	2.090	2.5%
8/2004	1.947	2.0%	8/2007	2.094	2.4%
9/2004	1.952	2.2%	9/2007	2.100	2.5%
10/2004	1.960	2.2%			
11/2004	1.960	2.3%			
12/2004	1.958	2.2%			

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

(a) Exposure distributions by policy term:

<u>Year Ended</u>	<u>6 Month</u>	<u>12 Month</u>
12/2001	85%	15%
12/2002	90	10
12/2003	87	13
12/2004	87	13
12/2005	87	13
12/2006	87	13

These exposure distributions are the best estimates of the corresponding premium distributions.

The distribution for the most recent year is the best estimate of the distribution during the time the proposed rates will be in effect.

- (b) Calculation of model year trend factors is shown on page H-534. This calculation is based on a comparison of the average model year relativity for the period for which the proposed rates will be in effect and the average model year relativity underlying the calculation of the premium at present rates. The model year trend factors are 1.114 for Comprehensive and 1.133 for Collision.

Calculation of symbol trend factors is shown on page H-535-536. Symbol trend factors are selected based on historical data for written exposures for each deductible. The trend period is the midpoint of the experience period to the average date of earning under the proposed rates (3.03 years). The symbol trend factors are 1.031 for Comprehensive and 1.000 for Collision.

The application of the model year and symbol trend factors is shown and described on page C-7 and C-8.

No premium trend is applicable to the liability coverages.

See also pre-filed testimony of P. Woods and M. Miller.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
FOR 2007 BASE
CALCULATION OF MODEL YEAR RELATIVITY
BEFORE OCTOBER 1, 2007

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2007	0.060	1.000	0.062	1.000
2006	0.086	0.950	0.091	0.950
2005	0.090	0.900	0.096	0.900
2004	0.089	0.850	0.095	0.850
2003	0.089	0.800	0.095	0.790
2002	0.085	0.750	0.090	0.720
2001	0.089	0.690	0.093	0.660
2000	0.079	0.640	0.081	0.600
1999	0.065	0.590	0.066	0.540
1998 & PRIOR	0.268	0.540	0.231	0.490
(1) Average		0.728		0.714

AFTER OCTOBER 1, 2008 (INTRODUCTION OF 2009 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2009	0.060	1.103	0.062	1.103
2008	0.086	1.050	0.091	1.050
2007	0.090	1.000	0.096	1.000
2006	0.089	0.950	0.095	0.950
2005	0.089	0.900	0.095	0.900
2004	0.085	0.850	0.090	0.850
2003	0.089	0.800	0.093	0.790
2002	0.079	0.750	0.081	0.720
2001	0.065	0.690	0.066	0.660
2000	0.058	0.640	0.057	0.600
1999	0.044	0.590	0.042	0.540
1998 & PRIOR	0.166	0.540	0.132	0.490
(2) Average		0.811		0.809

AFTER OCTOBER 1, 2009 (INTRODUCTION OF 2010 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2010	0.060	1.156	0.062	1.156
2009	0.086	1.103	0.091	1.103
2008	0.090	1.050	0.096	1.050
2007	0.089	1.000	0.095	1.000
2006	0.089	0.950	0.095	0.950
2005	0.085	0.900	0.090	0.900
2004	0.089	0.850	0.093	0.850
2003	0.079	0.800	0.081	0.790
2002	0.065	0.750	0.066	0.720
2001	0.058	0.690	0.057	0.660
2000	0.044	0.640	0.042	0.600
1999	0.042	0.590	0.038	0.540
1998 & PRIOR	0.124	0.540	0.094	0.490
(3) Average		0.856		0.859

(4) Number of months from effective date to 10/1/2009: 12

(5) Average relativity based on an effective date of 10/1/2008:

Comp: $(0.811 \times (4) + 0.856 \times (12 - (4))) / 12 = 0.811$

Coll: $(0.809 \times (4) + 0.859 \times (12 - (4))) / 12 = 0.809$

(6) Model year trend factor:

Comp: $(5) / 0.728 = 1.114$ Coll: $(5) / 0.714 = 1.133$

NO. CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SYMBOL TREND

COMPREHENSIVE (a)

Year Ended	Full Coverage		\$50 Deductible		\$100 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/03	702,513	1.696	111,617	1.824	517,220	1.944	220,002	2.059	211,911	2.208	19,525	2.589
12/31/03	683,051	1.718	105,171	1.838	507,535	1.959	223,043	2.074	224,900	2.226	22,148	2.575
6/30/04	666,236	1.740	99,837	1.862	501,977	1.977	227,663	2.090	240,176	2.243	24,638	2.565
12/31/04	675,329	1.763	101,402	1.885	518,844	1.995	237,805	2.112	256,933	2.271	27,943	2.605
6/30/05	683,857	1.787	102,149	1.900	533,083	2.011	247,533	2.132	278,251	2.291	31,831	2.624
12/31/05	682,739	1.805	100,136	1.916	538,703	2.021	255,865	2.142	303,677	2.298	36,162	2.616
6/30/06	680,790	1.819	98,248	1.926	548,418	2.026	266,754	2.145	336,367	2.302	41,127	2.607
12/31/06	678,315	1.831	96,156	1.935	557,051	2.030	277,791	2.149	371,127	2.308	46,363	2.602

Average Annual Rate of Change:

8 points *	2.3%	1.3%	1.3%	1.3%	1.3%	0.4%
6 points *	2.1%	1.1%	1.1%	1.1%	1.1%	0.4%
2 year	1.9%	0.9%	0.9%	0.9%	0.8%	-0.1%
1 year	1.4%	1.0%	0.4%	0.4%	0.4%	-0.5%

Correlation Coefficients:

8 points *	0.99	0.98	0.97	0.97	0.97	0.61
6 points *	0.99	0.96	0.94	0.94	0.93	0.48

* Based on exponential curve of best fit.

(a) Voluntary business only.

NC | CAROLINA
PRIVATE PASSEN | AUTOMOBILE INSURANCE
SYMBOL TREND

COLLISION (a)

Year Ended	\$50 Deductible		\$100 Deductible		\$200 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/03	7,072	1.111	183,228	1.122	37,097	1.263	770,484	1.271	618,764	1.390	42,230	1.513
12/31/03	7,074	1.129	174,664	1.133	35,724	1.271	753,110	1.279	626,100	1.398	46,512	1.517
6/30/04	7,269	1.151	167,389	1.143	34,770	1.282	740,240	1.285	639,881	1.403	50,650	1.519
12/31/04	7,509	1.168	166,358	1.151	34,414	1.291	752,998	1.290	675,797	1.411	56,200	1.530
6/30/05	7,723	1.184	164,210	1.160	33,984	1.294	763,029	1.294	713,767	1.417	62,044	1.534
12/31/05	7,862	1.201	159,991	1.166	33,327	1.299	761,486	1.296	747,941	1.419	68,062	1.531
6/30/06	8,148	1.214	156,194	1.169	32,640	1.300	763,836	1.294	791,352	1.418	75,001	1.526
12/31/06	8,585	1.222	152,856	1.171	32,168	1.299	766,466	1.291	836,218	1.418	81,816	1.521

Average Annual Rate of Change:

8 points *	2.8%	1.3%	0.8%	0.5%	0.6%	0.2%
6 points *	2.5%	1.0%	0.5%	0.2%	0.4%	0.0%
2 year	2.3%	0.9%	0.3%	0.0%	0.2%	-0.3%
1 year	1.7%	0.4%	0.0%	-0.4%	-0.1%	-0.7%

Correlation Coefficients:

8 points *	0.99	0.98	0.94	0.85	0.93	0.55
6 points *	0.99	0.97	0.90	0.60	0.84	-0.05

* Based on exponential curve of best fit.

(a) Voluntary business only.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

No limitations were applied.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE,
OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES

(a) (b) The derivation of expense factors is shown on the following
pages H-539-542. See also pre-filed testimony of P. Woods and
M. Miller.

(c) Pages H-451-465 contain information on expenses for the top 10
writers.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

	2002	2003	2004	2005	2006
Premium Written (Manual Level)	\$2,182,501,620	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065	\$2,568,035,175
Premiums Earned (Manual Level)	2,153,995,534	2,272,048,154	2,317,791,914	2,547,452,137	2,478,560,898
Premium Written (Collected Level)	1,966,486,164	2,131,701,669	2,186,772,183	2,241,463,188	2,341,625,605
Premiums Earned (Collected Level)	1,939,187,608	2,080,058,726	2,165,237,699	2,241,095,799	2,287,577,675
Commission & Brokerage	196,758,521	208,066,954	216,474,247	230,906,890	233,017,253
Other Acquisition	157,517,235	178,306,347	191,699,030	212,532,013	206,575,520
General Expenses	129,965,042	126,339,929	137,708,746	128,874,414	180,285,479
Taxes, Licenses, and Fees	48,885,392	50,675,808	49,949,234	52,183,922	49,163,847
Bodily Injury Losses Incurred	797,908,662	901,261,493	983,642,182	964,678,890	1,055,097,656
BI Allocated Loss Adjustment	11,029,181	33,670,584	36,670,488	33,457,299	25,699,804
BI Unallocated Loss Adjustment	108,169,312	111,448,514	115,524,475	127,744,750	137,538,285
Property Damage Losses Incurred	583,087,084	588,252,361	602,068,126	598,208,979	633,965,836
PD Allocated Loss Adjustment	4,491,936	8,993,978	6,792,019	8,055,918	5,525,868
PD Unallocated Loss Adjustment	67,179,157	76,384,689	76,480,634	74,018,157	70,909,209

COMBINED RATIOS

Commission & Brokerage to Written Premium (a) (b)	.100	.097	.099	.104	.100
Other Acquisition to Earned Premium (b)	.081	.086	.089	.095	.090
General Expenses to Earned Premium (b)	.065	.061	.064	.058	.079
Taxes, Licenses, etc. to Written Premium (b)	.025	.024	.023	.023	.021
Unallocated Loss Adjustment Expenses to Losses + Allocated	.134	.119	.113	.128	.127
	<u>BI</u>	<u>BI</u>	<u>BI</u>	<u>BI</u>	<u>BI</u>
	<u>PD</u>	<u>PD</u>	<u>PD</u>	<u>PD</u>	<u>PD</u>
	.114	.128	.126	.122	.111

Notes:

- (a) Since ceded business has a commission and brokerage provision set at 10%, the provision for voluntary business is found by solving the following expression for X:
.10 (percent ceded written premium) + X (percent voluntary written premium) = overall Commission and Brokerage provision.
- (b) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - STANDARD BUSINESS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Premium Written (Collected Level)	\$1,258,370,573	\$1,235,884,923	\$1,192,451,971	\$1,298,795,220	\$1,347,579,999
Premium Earned (Collected Level)	1,224,285,954	1,266,847,640	1,171,171,370	1,280,906,310	1,380,484,622
Commission & Brokerage	128,057,797	122,718,054	112,598,476	126,232,584	134,363,560
Other Acquisition	97,409,620	97,073,773	100,577,378	104,939,143	119,155,735
General Expenses	64,906,068	63,420,531	59,255,614	63,536,378	85,751,727
Taxes, licenses, and Fees	29,386,257	28,518,893	26,124,040	29,312,242	27,680,905
Losses Incurred	700,864,618	768,041,816	663,158,742	655,414,000	765,300,446
All Loss Adjustment Expenses	117,538,891	98,542,743	100,686,005	105,691,545	96,390,371
			<u>COMBINED RATIOS</u>		
Commission & Brokerage to	.102	.099	.094	.097	.100
Written Premium (a)					
Other Acquisition to	.080	.077	.086	.082	.086
Earned Premium (a)					
General Expenses to	.053	.050	.051	.050	.062
Earned Premium (a)					
Taxes, Licenses, etc. to	.023	.023	.022	.023	.021
Written Premium (a)					
All Loss Adjustment Expenses to	.168	.128	.152	.161	.126
Incurred Losses					

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - NON-STANDARD BUSINESS

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Premium Written (Collected Level)	\$396,325,164	\$441,953,161	\$474,845,377	\$480,018,102	\$391,759,282
Premium Earned (Collected Level)	385,218,762	434,717,887	464,964,821	476,633,206	394,428,532
Commission & Brokerage	39,478,816	45,161,385	45,834,258	48,986,597	34,469,538
Other Acquisition	16,615,882	20,396,092	22,669,007	26,195,960	23,960,865
General Expenses	21,981,007	21,548,068	24,283,539	24,378,852	31,169,695
Taxes, Licenses, and Fees	9,682,852	11,044,293	11,067,447	10,702,598	7,942,860
Losses Incurred	211,707,855	238,871,316	236,534,958	228,863,666	202,813,957
All Loss Adjustment Expenses	33,216,968	35,044,004	36,158,614	34,669,700	25,430,693

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)	.100	.102	.097	.102	.088
Other Acquisition to Earned Premium (a)	.043	.047	.049	.055	.061
General Expenses to Earned Premium (a)	.057	.050	.052	.051	.079
Taxes, Licenses, etc. to Written Premium (a)	.024	.025	.023	.022	.020
All Loss Adjustment Expenses to Incurred Losses	.157	.147	.153	.151	.125

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
MOTORCYCLE INSURANCE
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

<u>Item</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Premiums Written	\$17,767,876	\$21,404,466	\$24,368,906	\$28,908,379	\$26,419,484
Premiums Earned	17,226,637	20,360,578	23,453,046	26,245,060	25,349,453
Commission & Brokerage	2,096,798	2,434,725	2,512,584	2,639,000	2,681,305
Other Acquisition	1,409,269	1,409,720	1,718,064	2,153,234	1,961,205
General Expenses	914,380	768,456	913,911	1,353,703	2,223,505
Taxes, Licenses, and Fees	441,524	461,972	512,953	590,453	590,354
Losses Incurred	7,684,849	10,614,863	11,368,841	11,770,230	13,454,104
All Loss Adjustment Expenses	1,160,753	2,258,406	2,017,972	1,797,976	2,435,478
		<u>COMBINED RATIOS</u>			
Commission & Brokerage to Written Premium	.118	.114	.103	.091	.101
Other Acquisition to Earned Premium	.082	.069	.073	.082	.077
General Expenses to Earned Premium	.053	.038	.039	.052	.088
Taxes, Licenses, etc. to Written Premium	.025	.022	.021	.020	.022
All Loss Adjustment Expenses to Losses	.151	.213	.178	.153	.181

Source: North Carolina Rate Bureau Expense Call

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

8. PERCENT RATE CHANGE

The overall statewide rate change by coverage is shown on page A-1.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses and fixed expenses, and the physical damage premiums, used in the calculation of the rate level indication.

If the effective date were to be changed, advance notice of approximately one hundred five (105) days after the issuing of the Commissioner's Order is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date, and distribute the necessary information to member companies.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

9. FINAL PROPOSED RATES

The proposed rates are shown in Section B.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See attached Exhibits (10)(a), (b) and (c) and the pre-filed testimony of P. Woods and D. Appel. The experience provides the best estimate of the future.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2002		\$1,991,328,228
2. Mean Unearned Premium Reserve	0.278 x (1)	553,589,247
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		2.08%
50% of Other Acquisition Expense		4.10%
50% of Company Operating Expense		3.35%
Total		19.53%
4. (2) x (3)		108,115,980
5. Net Subject to Investment (2) - (4)		445,473,267

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,991,328,228
2. Average Agents' Balances		0.149
3. Delayed Remission (1) x (2)		296,707,906

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,991,328,228
2. Expected Incurred Losses and Loss Adjustment		1,196,788,265
0.601 x (1)		
3. Expected Mean Loss Reserves	0.902 x (2)	1,079,503,015

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,228,268,376

E. Average Rate of Return 5.29%

F. Investment Earnings on Net Subject to Investment (D) x (E) 64,975,397

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 3.26%

H. Average Rate of Return as a Percent of Direct Earned Premium
After Federal Income Taxes (G) 0.783 2.55%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2002 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2002	\$1,957,059,172
2. Unearned Premium Reserve as of 12/31/2001	529,221,396
3. Unearned Premium Reserve as of 12/31/2002	557,203,755
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	543,212,576
5. Ratio (4) \div (1)	0.278

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2002 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.5% of net written premiums. The 14.5% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.031 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.031 is based on 1993 and 1994 industrywide data provided by the A.M. Best Company. The two factors combined amount to .149 (.145 x 1.031 = .149).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2001 and 2002 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2001	\$1,410,205,014
2. Incurred Losses for Calendar Year 2002	1,388,594,207
3. Loss Reserves as of 12/31/2000	1,213,324,628
4. Loss Reserves as of 12/31/2001	1,269,542,424
5. Loss Reserves as of 12/31/2002	1,276,839,223
6. Mean Loss Reserve 2001: 1/2 [(3) + (4)]	1,241,433,526
7. Mean Loss Reserve 2002: 1/2 [(4) + (5)]	1,273,190,824
8. Ratio (6) ÷ (1)	0.880
9. Ratio (7) ÷ (2)	0.917
10. Loss Reserve: 1/2 [(8) + (9)]	0.899
11. Ratio of LAE Reserves to Loss Reserves (a)	0.204
12. Ratio of Incurred LAE to Incurred Losses (a)	0.2
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.902

(a) Based on 2002 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2002	\$17,793,121	\$336,119,866	5.29%

(a) Page 4, Line 9 of 2002 Annual Statement

(b) Average of Page 2, Line 9 from the 2001 and 2002 Annual Statements

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2002		\$1,481,069,306
2. Mean Unearned Premium Reserve	0.29 x (1)	429,510,099
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.20%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		3.95%
50% of Company Operating Expense		2.70%
Total		18.77%
4. (2) x (3)		80,619,046
5. Net Subject to Investment (2) - (4)		348,891,053

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,481,069,306
2. Average Agents' Balances		0.152
3. Delayed Remission (1) x (2)		225,122,535

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,481,069,306
2. Expected Incurred Losses and Loss Adjustment		869,387,683
0.587 x (1)		
3. Expected Mean Loss Reserves	0.112 x (2)	97,371,420

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 221,139,938

E. Average Rate of Return 5.29%

F. Investment Earnings on Net Subject to Investment (D) x (E) 11,698,303

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 0.79%

H. Average Rate of Return as a Percent of Direct
Earned Premium After Federal Income Taxes
(G) x 0.783 0.62%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2002 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2002	\$1,696,342,597
2. Unearned Premium Reserve as of 12/31/2001	467,423,371
3. Unearned Premium Reserve as of 12/31/2002	515,108,492
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	491,265,932
5. Ratio (4) ÷ (1)	0.290

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2002 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.7% of net written premiums. The 14.7% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.031 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.031 is based on 1993 and 1994 industrywide data provided by the A.M. Best Company. The two factors combined amount to .152 (.147 x 1.031 = .152).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2001 and 2002 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2001	\$894,300,117
2. Incurred Losses for Calendar Year 2002	945,858,497
3. Loss Reserves as of 12/31/2000	75,222,214
4. Loss Reserves as of 12/31/2001	79,630,518
5. Loss Reserves as of 12/31/2002	100,909,233
6. Mean Loss Reserve 2001: 1/2 [(3) + (4)]	77,426,366
7. Mean Loss Reserve 2002: 1/2 [(4) + (5)]	90,269,876
8. Ratio (6) ÷ (1)	0.087
9. Ratio (7) ÷ (2)	0.095
10. Loss Reserve: 1/2 [(8) + (9)]	0.091
11. Ratio of LAE Reserves to Loss Reserves (a)	0.43
12. Ratio of Incurred LAE to Incurred Losses (a)	0.158
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.112

(a) Based on 2002 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2002	\$17,793,121	\$336,119,866	5.29%

(a) Page 4, Line 9 of 2002 Annual Statement

(b) Average of Page 2, Line 9 from the 2001 and 2002 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1993	559,744,958	9,817,573	1.75%
1994	594,669,576	1,663,541	0.28%
1995	636,756,797	5,997,029	0.94%
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
	-----	-----	-----
	7,181,117,379	94,171,650	1.31%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2002 data from Best's Aggregates and Averages, Net Investment Income Exhibit
Column 2:

Bonds

Taxable (Lines 1 + 1.2)	\$23,094,226	0.350
Non-Taxable (Lines 1.1 + 1.3)	9,284,966	-
	-----	-----
Sub-Total	\$32,379,192	0.250

Stocks

Taxable (Lines 2.1 + 2.2)	\$2,763,531	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	3,977,275	-
	-----	-----
Sub-Total	\$6,740,806	0.043

Mortgage Loans (Line 3)	\$178,521	
Real Estate (Line 4)	1,672,965	
Contract Loans (Line 5)	207	
Cash/Short Term Investments (Line 6)	1,048,332	
Derivative Instruments (Line 7)	75,319	
All Other (Lines 8 + 9)	2,353,502	
	-----	-----
Sub-Total	\$5,328,846	0.350
Total	\$44,448,844	0.230

Investment Deductions (Line 16)	\$4,336,105	0.350
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Net Investment Income Earned	\$40,112,739	0.217
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(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2003		\$2,028,558,375
2. Mean Unearned Premium Reserve	0.278 x (1)	563,939,228
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		2.00%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		3.10%
Total		19.10%
4. (2) x (3)		107,712,393
5. Net Subject to Investment (2) - (4)		456,226,835

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,028,558,375
2. Average Agents' Balances		0.146
3. Delayed Remission (1) x (2)		296,169,523

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,028,558,375
2. Expected Incurred Losses and Loss Adjustment		1,330,734,294
0.656 x (1)		
3. Expected Mean Loss Reserves	0.885 x (2)	1,177,699,850

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,337,757,162

E. Average Rate of Return 4.49%

F. Investment Earnings on Net Subject to Investment (D) x (E) 60,065,297

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 2.96%

H. Average Rate of Return as a Percent of Direct Earned Premium
After Federal Income Taxes (G) 0.787 2.33%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2003 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2003	\$2,101,843,329
2. Unearned Premium Reserve as of 12/31/2002	557,203,755
3. Unearned Premium Reserve as of 12/31/2003	609,899,658
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	583,551,707
5. Ratio (4) ÷ (1)	0.278

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2003 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.1% of net written premiums. The 14.1% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.033 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.033 is based on 2002 and 2003 industrywide data provided by the A.M. Best Company. The two factors combined amount to .146 (.141 x 1.033 = .146).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2002 and 2003 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	\$1,388,594,207
2. Incurred Losses for Calendar Year 2003	1,501,859,410
3. Loss Reserves as of 12/31/2001	1,269,542,424
4. Loss Reserves as of 12/31/2002	1,276,839,223
5. Loss Reserves as of 12/31/2003	1,335,811,002
6. Mean Loss Reserve 2002: 1/2 [(3) + (4)]	1,273,190,824
7. Mean Loss Reserve 2003: 1/2 [(4) + (5)]	1,306,325,113
8. Ratio (6) ÷ (1)	0.917
9. Ratio (7) ÷ (2)	0.870
10. Loss Reserve: 1/2 [(8) + (9)]	0.894
11. Ratio of LAE Reserves to Loss Reserves (a)	0.198
12. Ratio of Incurred LAE to Incurred Losses (a)	0.210
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.885

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2003	\$17,270,667	\$384,279,257	4.49%

(a) Page 4, Line 9 of 2003 Annual Statement

(b) Average of Page 2, Line 9 from the 2002 and 2003 Annual Statements

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2003		\$1,500,622,867
2. Mean Unearned Premium Reserve	0.281 x (1)	421,675,026
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.90%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		3.80%
50% of Company Operating Expense		2.50%
Total		18.12%
4. (2) x (3)		76,407,515
5. Net Subject to Investment (2) - (4)		345,267,511

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,500,622,867
2. Average Agents' Balances		0.156
3. Delayed Remission (1) x (2)		234,097,167

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,500,622,867
2. Expected Incurred Losses and Loss Adjustment		978,406,109
0.652 x (1)		
3. Expected Mean Loss Reserves	0.116 x (2)	113,495,109

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 224,665,453

E. Average Rate of Return 4.49%

F. Investment Earnings on Net Subject to Investment (D) x (E) 10,087,479

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 0.67%

H. Average Rate of Return as a Percent of Direct
Earned Premium After Federal Income Taxes 0.53%
(G) x 0.787

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2003 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2003	\$1,787,576,046
2. Unearned Premium Reserve as of 12/31/2002	515,108,492
3. Unearned Premium Reserve as of 12/31/2003	488,842,619
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	501,975,556
5. Ratio (4) \div (1)	0.281

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2003 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.1% of net written premiums. The 15.1% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.033 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.033 is based on 2002 and 2003 industrywide data provided by the A.M. Best Company. The two factors combined amount to .156 (.151 x 1.033 = .156).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2002 and 2003 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	\$945,858,497
2. Incurred Losses for Calendar Year 2003	1,043,631,340
3. Loss Reserves as of 12/31/2001	79,630,518
4. Loss Reserves as of 12/31/2002	100,909,233
5. Loss Reserves as of 12/31/2003	96,884,213
6. Mean Loss Reserve 2002: 1/2 [(3) + (4)]	90,269,876
7. Mean Loss Reserve 2003: 1/2 [(4) + (5)]	98,896,723
8. Ratio (6) ÷ (1)	0.095
9. Ratio (7) ÷ (2)	0.095
10. Loss Reserve: 1/2 [(8) + (9)]	0.095
11. Ratio of LAE Reserves to Loss Reserves (a)	0.422
12. Ratio of Incurred LAE to Incurred Losses (a)	0.161
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.116

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2003	\$17,270,667	\$384,279,257	4.49%

(a) Page 4, Line 9 of 2003 Annual Statement

(b) Average of Page 2, Line 9 from the 2002 and 2003 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1994	594,669,576	1,663,541	0.28%
1995	636,756,797	5,997,029	0.94%
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
	-----	-----	-----
	7,529,396,477	90,634,273	1.20%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2003 data from Best's Aggregates and Averages, Net Investment Income Exhibit
Column 2:

Bonds

Taxable (Lines 1 + 1.2)	\$21,190,681	0.350
Non-Taxable (Lines 1.1 + 1.3)	9,918,255	-
	-----	-----
Sub-Total	\$31,108,936	0.238

Stocks

Taxable (Lines 2.1 + 2.2)	\$2,864,754	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	3,838,458	-
	-----	-----
Sub-Total	\$6,703,212	0.045

Mortgage Loans (Line 3)	\$158,612	
Real Estate (Line 4)	1,690,507	
Contract Loans (Line 5)	438	
Cash/Short Term Investments (Line 6)	1,158,122	
Derivative Instruments (Line 7)	164,953	
All Other (Lines 8 + 9)	3,526,989	
	-----	-----
Sub-Total	\$6,699,621	0.350

Total	\$44,511,769	0.226
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Investment Deductions (Line 16)	\$4,174,811	0.350
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Net Investment Income Earned	\$40,336,958	0.213
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(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2004		\$2,164,489,189
2. Mean Unearned Premium Reserve	0.293 x (1)	634,195,332
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.90%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.45%
50% of Company Operating Expense		3.20%
Total		19.47%
4. (2) x (3)		123,477,831
5. Net Subject to Investment (2) - (4)		510,717,501

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,164,489,189
2. Average Agents' Balances		0.153
3. Delayed Remission (1) x (2)		331,166,846

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,164,489,189
2. Expected Incurred Losses and Loss Adjustment		1,406,917,973
0.650 x (1)		
3. Expected Mean Loss Reserves	0.857 x (2)	1,205,728,703

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,385,279,358

E. Average Rate of Return 3.92%

F. Investment Earnings on Net Subject to Investment (D) x (E) 54,302,951

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 2.51%

H. Average Rate of Return as a Percent of Direct Earned Premium
After Federal Income Taxes (G) 0.784 1.97%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2004 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2004	\$2,119,188,172
2. Unearned Premium Reserve as of 12/31/2003	609,899,658
3. Unearned Premium Reserve as of 12/31/2004	632,152,880
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	621,026,269
5. Ratio (4) ÷ (1)	0.293

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2004 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.9% of net written premiums. The 14.9% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.030 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.030 is based on 2003 and 2004 industrywide data provided by the A.M. Best Company. The two factors combined amount to .153 (.149 x 1.030 = .153).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2003 and 2004 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	\$1,501,859,410
2. Incurred Losses for Calendar Year 2004	1,598,924,786
3. Loss Reserves as of 12/31/2002	1,276,839,223
4. Loss Reserves as of 12/31/2003	1,335,811,002
5. Loss Reserves as of 12/31/2004	1,428,148,692
6. Mean Loss Reserve 2003: 1/2 [(3) + (4)]	1,306,325,113
7. Mean Loss Reserve 2004: 1/2 [(4) + (5)]	1,381,979,847
8. Ratio (6) ÷ (1)	0.870
9. Ratio (7) ÷ (2)	0.864
10. Loss Reserve: 1/2 [(8) + (9)]	0.867
11. Ratio of LAE Reserves to Loss Reserves (a)	0.203
12. Ratio of Incurred LAE to Incurred Losses (a)	0.217
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.857

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2004	\$15,621,594	\$398,950,049	3.92%

(a) Page 4, Line 9 of 2004 Annual Statement

(b) Average of Page 2, Line 9 from the 2003 and 2004 Annual Statements

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2004		\$1,431,711,481
2. Mean Unearned Premium Reserve	0.298 x (1)	426,650,021
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.40%
Taxes, Licenses and Fees		1.83%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		2.55%
Total		18.08%
4. (2) x (3)		77,138,324
5. Net Subject to Investment (2) - (4)		349,511,697

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,431,711,481
2. Average Agents' Balances		0.168
3. Delayed Remission (1) x (2)		240,527,529

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,431,711,481
2. Expected Incurred Losses and Loss Adjustment		926,317,328
0.647 x (1)		
3. Expected Mean Loss Reserves	0.124 x (2)	114,863,349

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 223,847,517

E. Average Rate of Return 3.92%

F. Investment Earnings on Net Subject to Investment (D) x (E) 8,774,823

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 0.61%

H. Average Rate of Return as a Percent of Direct
Earned Premium After Federal Income Taxes 0.48%
(G) x 0.784

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2004 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2004	\$1,686,955,656
2. Unearned Premium Reserve as of 12/31/2003	488,842,619
3. Unearned Premium Reserve as of 12/31/2004	517,832,734
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	503,337,677
5. Ratio (4) \div (1)	0.298

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2004 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 16.3% of net written premiums. The 16.3% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.030 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.030 is based on 2003 and 2004 industrywide data provided by the A.M. Best Company. The two factors combined amount to .168 (.163 x 1.030= .168).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2003 and 2004 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	\$1,043,631,340
2. Incurred Losses for Calendar Year 2004	934,796,980
3. Loss Reserves as of 12/31/2002	100,909,233
4. Loss Reserves as of 12/31/2003	96,884,213
5. Loss Reserves as of 12/31/2004	91,476,044
6. Mean Loss Reserve 2003: 1/2 [(3) + (4)]	98,896,723
7. Mean Loss Reserve 2004: 1/2 [(4) + (5)]	94,180,129
8. Ratio (6) ÷ (1)	0.095
9. Ratio (7) ÷ (2)	0.101
10. Loss Reserve: 1/2 [(8) + (9)]	0.098
11. Ratio of LAE Reserves to Loss Reserves (a)	0.493
12. Ratio of Incurred LAE to Incurred Losses (a)	0.177
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.124

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2004	\$15,621,594	\$398,950,049	3.92%

(a) Page 4, Line 9 of 2004 Annual Statement

(b) Average of Page 2, Line 9 from the 2003 and 2004 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1995	636,756,797	5,997,029	0.94%
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
	-----	-----	-----
	7,953,537,220	98,083,931	1.23%

— Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2004 data from Best's Aggregates and Averages, Net Investment Income Exhibit
Column 2:

Bonds

Taxable (Lines 1 + 1.2)	\$21,696,435	0.350
Non-Taxable (Lines 1.1 + 1.3)	11,340,140	-
	-----	-----
Sub-Total	\$33,036,575	0.230

Stocks

Taxable (Lines 2.1 + 2.2)	\$3,285,602	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	2,131,399	-
	-----	-----
Sub-Total	\$5,417,001	0.064

Mortgage Loans (Line 3)	\$169,603	
Real Estate (Line 4)	1,646,000	
Contract Loans (Line 5)	981	
Cash/Short Term Investments (Line 6)	1,189,806	
Derivative Instruments (Line 7)	(15,621)	
All Other (Lines 8 + 9)	3,767,317	
	-----	-----
Sub-Total	\$6,758,086	0.350
Total	\$45,211,662	0.228

Investment Deductions (Line 16)	\$4,064,665	0.350
---------------------------------	-------------	-------

Net Investment Income Earned	\$41,146,997	0.216
------------------------------	--------------	-------

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2005		\$2,295,760,665
2. Mean Unearned Premium Reserve	0.279 x (1)	640,517,226
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.40%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.75%
50% of Company Operating Expense		2.85%
Total		19.92%
4. (2) x (3)		127,591,031
5. Net Subject to Investment (2) - (4)		512,926,195

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$2,295,760,665
2. Average Agents' Balances		0.154
3. Delayed Remission (1) x (2)		353,547,142

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$2,295,760,665
2. Expected Incurred Losses and Loss Adjustment		1,483,061,390
0.646 x (1)		
3. Expected Mean Loss Reserves	0.877 x (2)	1,300,644,839

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,460,023,892

E. Average Rate of Return 4.75%

F. Investment Earnings on Net Subject to Investment (D) x (E) 69,351,135

G. Average Rate of Return as a Percent of Direct Earned Premium (F) / (A-1) 3.02%

H. Average Rate of Return as a Percent of Direct Earned Premium After Federal Income Taxes (G) 0.781 2.36%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2005 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2005	\$2,268,296,335
2. Unearned Premium Reserve as of 12/31/2004	632,152,880
3. Unearned Premium Reserve as of 12/31/2005	634,824,680
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	633,488,780
5. Ratio (4) \div (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2005 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.0% of net written premiums. The 15.0% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.029 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.029 is based on 2004 and 2005 industrywide data provided by the A.M. Best Company. The two factors combined amount to .154 (.150 x 1.029 = .154).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2004 and 2005 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	\$1,598,924,786
2. Incurred Losses for Calendar Year 2005	1,575,388,913
3. Loss Reserves as of 12/31/2003	1,335,811,002
4. Loss Reserves as of 12/31/2004	1,428,148,692
5. Loss Reserves as of 12/31/2005	1,475,667,865
6. Mean Loss Reserve 2004: 1/2 [(3) + (4)]	1,381,979,847
7. Mean Loss Reserve 2005: 1/2 [(4) + (5)]	1,451,908,279
8. Ratio (6) ÷ (1)	0.864
9. Ratio (7) ÷ (2)	0.922
10. Loss Reserve: 1/2 [(8) + (9)]	0.893
11. Ratio of LAE Reserves to Loss Reserves (a)	0.201
12. Ratio of Incurred LAE to Incurred Losses (a)	0.223
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.877

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2005	\$20,239,564	\$426,087,137	4.75%

(a) Page 4, Line 9 of 2005 Annual Statement

(b) Average of Page 2, Line 9 from the 2004 and 2005 Annual Statements

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2005		\$1,370,308,469
2. Mean Unearned Premium Reserve	0.285 x (1)	390,537,914
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		9.70%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.10%
50% of Company Operating Expense		2.50%
Total		18.22%
4. (2) x (3)		71,156,008
5. Net Subject to Investment (2) - (4)		319,381,906

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$1,370,308,469
2. Average Agents' Balances	0.163
3. Delayed Remission (1) x (2)	223,360,280

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$1,370,308,469
2. Expected Incurred Losses and Loss Adjustment	881,108,346
0.643 x (1)	
3. Expected Mean Loss Reserves	0.126 x (2)
	111,019,652

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 207,041,278

E. Average Rate of Return 4.75%

F. Investment Earnings on Net Subject to Investment (D) x (E) 9,834,461

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 0.72%

H. Average Rate of Return as a Percent of Direct
Earned Premium After Federal Income Taxes 0.56%
(G) x 0.781

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2005 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2005	\$1,856,188,213
2. Unearned Premium Reserve as of 12/31/2004	517,832,734
3. Unearned Premium Reserve as of 12/31/2005	541,349,397
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	529,591,066
5. Ratio (4) ÷ (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid.

Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2005 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.8% of net written premiums. The 15.8% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.029 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.029 is based on 2004 and 2005 industrywide data provided by the A.M. Best Company. The two factors combined amount to .163 (.158 x 1.029 = .163).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2004 and 2005 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	\$934,796,980
2. Incurred Losses for Calendar Year 2005	913,689,890
3. Loss Reserves as of 12/31/2003	96,884,213
4. Loss Reserves as of 12/31/2004	91,476,044
5. Loss Reserves as of 12/31/2005	85,263,193
6. Mean Loss Reserve 2004: 1/2 [(3) + (4)]	94,180,129
7. Mean Loss Reserve 2005: 1/2 [(4) + (5)]	88,369,619
8. Ratio (6) ÷ (1)	0.101
9. Ratio (7) ÷ (2)	0.097
10. Loss Reserve: 1/2 [(8) + (9)]	0.099
11. Ratio of LAE Reserves to Loss Reserves (a)	0.511
12. Ratio of Incurred LAE to Incurred Losses (a)	0.185
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.126

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2005	\$20,239,564	\$426,087,137	4.75%

(a) Page 4, Line 9 of 2005 Annual Statement

(b) Average of Page 2, Line 9 from the 2004 and 2005 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1996	682,407,194	9,243,907	1.35%
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,018,810,319	9,113,199	0.89%
	-----	-----	-----
	8,335,590,742	101,200,101	1.21%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2005 data from Best's Aggregates and Averages, Net Investment Income Exhibit
Column 2:

Bonds

Taxable (Lines 1 + 1.2)	\$23,254,464	0.350
Non-Taxable (Lines 1.1 + 1.3)	13,189,050	-
	-----	-----
Sub-Total	\$36,443,514	0.223

Stocks

Taxable (Lines 2.1 + 2.2)	\$3,675,690	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	3,597,641	-
	-----	-----
Sub-Total	\$7,273,331	0.053

Mortgage Loans (Line 3)	\$194,195	
Real Estate (Line 4)	1,650,988	
Contract Loans (Line 5)	2,367	
Cash/Short Term Investments (Line 6)	3,006,076	
Derivative Instruments (Line 7)	(2,499)	
All Other (Lines 8 + 9)	7,533,180	
	-----	-----
Sub-Total	\$12,384,307	0.350
Total	\$56,101,152	0.229

Investment Deductions (Line 16)	\$4,363,521	0.350
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Net Investment Income Earned	\$51,737,631	0.219
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(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2006		\$2,359,767,397
2. Mean Unearned Premium Reserve	0.285 x (1)	672,533,708
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.50%
50% of Company Operating Expense		3.95%
Total		20.20%
4. (2) x (3)		135,851,809
5. Net Subject to Investment (2) - (4)		536,681,899

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$2,359,767,397
2. Average Agents' Balances	0.168
3. Delayed Remission (1) x (2)	396,440,923

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$2,359,767,397
2. Expected Incurred Losses and Loss Adjustment	1,486,653,460
0.630 x (1)	
3. Expected Mean Loss Reserves	0.886 x (2)
	1,317,174,966

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 1,457,415,942

E. Average Rate of Return 4.63%

F. Investment Earnings on Net Subject to Investment (D) x (E) 67,478,358

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 2.86%

H. Average Rate of Return as a Percent of Direct Earned Premium
After Federal Income Taxes (G) 0.781 2.23%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present voluntary manual level for Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	\$2,316,658,861
2. Unearned Premium Reserve as of 12/31/2005	634,824,680
3. Unearned Premium Reserve as of 12/31/2006	684,498,941
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	659,661,811
5. Ratio (4) \div (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2006 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 16.3% of net written premiums. The 16.3% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.032 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.032 is based on 2005 and 2006 industrywide data provided by the A.M. Best Company. The two factors combined amount to .168 (.163 x 1.032 = .168).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	\$1,575,388,913
2. Incurred Losses for Calendar Year 2006	1,703,407,276
3. Loss Reserves as of 12/31/2004	1,428,148,692
4. Loss Reserves as of 12/31/2005	1,475,667,865
5. Loss Reserves as of 12/31/2006	1,496,117,471
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	1,451,908,279
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	1,485,892,668
8. Ratio (6) ÷ (1)	0.922
9. Ratio (7) ÷ (2)	0.872
10. Loss Reserve: 1/2 [(8) + (9)]	0.897
11. Ratio of LAE Reserves to Loss Reserves (a)	0.209
12. Ratio of Incurred LAE to Incurred Losses (a)	0.224
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.886

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2006	\$23,044,106	\$497,553,109	4.63%

(a) Page 4, Line 9 of 2006 Annual Statement

(b) Average of Page 2, Line 9 from the 2005 and 2006 Annual Statements

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2006		\$1,406,554,611
2. Mean Unearned Premium Reserve	0.279 x (1)	392,428,736
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.30%
50% of Company Operating Expense		3.10%
Total		19.15%
4. (2) x (3)		75,150,103
5. Net Subject to Investment (2) - (4)		317,278,633

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$1,406,554,611
2. Average Agents' Balances		0.178
3. Delayed Remission (1) x (2)		250,366,721

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$1,406,554,611
2. Expected Incurred Losses and Loss Adjustment		873,470,413
0.621 x (1)		
3. Expected Mean Loss Reserves	0.124 x (2)	108,310,331

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 175,222,243

E. Average Rate of Return 4.63%

F. Investment Earnings on Net Subject to Investment (D) x (E) 8,112,790

G. Average Rate of Return as a Percent of Direct Earned Premium
(F) / (A-1) 0.58%

H. Average Rate of Return as a Percent of Direct
Earned Premium After Federal Income Taxes 0.45%
(G) x 0.781

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the earned premiums at present manual level for Private Passenger Passenger Automobile Comprehensive and Collision Insurance for the latest calendar year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Automobile Physical Damage insurance in North Carolina. These data are from Page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	\$1,876,085,747
2. Unearned Premium Reserve as of 12/31/2005	541,349,397
3. Unearned Premium Reserve as of 12/31/2006	503,682,512
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	522,515,955
5. Ratio (4) ÷ (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Physical Damage insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2006 Insurance Expense Exhibit for all companies writing private passenger physical damage insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 17.2% of net written premiums. The 17.2% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger physical damage premium (using data from Part III of the IEE) on the private passenger written physical damage premium for North Carolina private passenger physical damage insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.032 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.032 is based on 2005 and 2006 industrywide data provided by the A.M. Best Company. The two factors combined amount to .178 (.172 x 1.032 = .178).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Automobile Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	\$913,689,890
2. Incurred Losses for Calendar Year 2006	999,416,417
3. Loss Reserves as of 12/31/2004	91,476,044
4. Loss Reserves as of 12/31/2005	85,263,193
5. Loss Reserves as of 12/31/2006	83,497,488
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	88,369,619
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	84,380,341
8. Ratio (6) ÷ (1)	0.097
9. Ratio (7) ÷ (2)	0.084
10. Loss Reserve: 1/2 [(8) + (9)]	0.091
11. Ratio of LAE Reserves to Loss Reserves (a)	0.592
12. Ratio of Incurred LAE to Incurred Losses (a)	0.173
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.124

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PHYSICAL DAMAGE COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line E

The rate of return is the ratio of net investment income earned to mean cash and invested assets. Net investment income is computed for all companies writing private passenger automobile insurance in North Carolina as follows:

Year	Net Investment Income Earned (In Thousands of Dollars) (a)	Mean Cash and Invested Assets (In Thousands of Dollars) (b)	Rate of Return
2006	\$23,044,106	\$497,553,109	4.63%

(a) Page 4, Line 9 of 2006 Annual Statement

(b) Average of Page 2, Line 9 from the 2005 and 2006 Annual Statements

CAPITAL GAINS OR LOSSES AS A PERCENT OF MEAN ASSETS
(all amounts in thousands of dollars)

Calendar Year	Mean Total Admitted Assets 2-Year Average	Realized Capital Gains	
		Amount	Percent
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
	8,971,918,078	98,625,131	1.10%

Source: Best's Aggregates & Averages--various editions

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

2006 data from Best's Aggregates and Averages, Net Investment Income Exhibit
Column 2:

Bonds		
Taxable (Lines 1 + 1.2)	\$25,429,410	0.350
Non-Taxable (Lines 1.1 + 1.3)	14,446,481	-
	-----	-----
Sub-Total	\$39,875,891	0.223
Stocks		
Taxable (Lines 2.1 + 2.2)	\$4,507,468	0.105 (A)
Non-Taxable (Lines 2.11 + 2.21)	2,839,135	-
	-----	-----
Sub-Total	\$7,346,603	0.064
Mortgage Loans (Line 3)	\$195,240	
Real Estate (Line 4)	1,657,734	
Contract Loans (Line 5)	1,645	
Cash/Short Term Investments (Line 6)	4,755,081	
Derivative Instruments (Line 7)	(49,822)	
All Other (Lines 8 + 9)	5,439,596	
	-----	-----
Sub-Total	\$11,999,474	0.350
Total	\$59,221,968	0.229
Investment Deductions (Line 16)	\$4,573,873	0.350
Net Investment Income Earned	\$54,648,095	0.219

(A) Only 30% of dividend income on stock is subject to the full corporate income tax rate of 35%. The applicable tax rate is thus 10.5% (.35 x .30 = .105).

The data available to the Rate Bureau to estimate the requested length of time is the yearly paid and incurred total limits liability loss development data contained on pages H-377-379 and H-385-387. The combined BI, PD and Med Pay data on a paid and incurred basis is shown on pages H-598 and H-599. Page H-597 shows the liability incurred losses for immature accident years on an ultimate basis using the latest three-year average loss development factor.

The accident year data for any given year 19XX (or 20YY) has an average date of accident of July 1, 19XX (or 20YY). By taking the ratio of paid losses to ultimate incurred losses as shown on the following pages, the percentage of liability losses paid in each year is estimated.

It is next necessary to determine an estimate for the average payment date (months) of the losses paid in each interval. Such data are not available for North Carolina. Such data are available for Massachusetts and are set forth below for the purpose of showing how this analysis would be completed for North Carolina if North Carolina data were available. The following data is personal auto liability data for the state of Massachusetts as contained in the Massachusetts Automobile Rate Bureau's 1990 filing. Since the Rate Bureau is advised by ISO that Massachusetts payment patterns are longer than North Carolina's, the results of this analysis (based on Massachusetts payment patterns) overstate the average length of time between occurrence and payment.

The result of this analysis is shown below:

Period Month-to-Month	Percentage Paid in Period		Massachusetts
	(a)	(b)	Average Payment Date (months)
0-15	64.0%	63.7%	9.3
15-27	19.6%	19.5%	20.3
27-39	8.4%	9.2%	32.4
39-51	4.8%	4.7%	44.3
51-63	2.0%	1.9%	56.5
63-ult.	1.2%	1.0%	73.4
	(a)	(b)	
(1) Average Payment Date	16.8 months	16.8 months	
(2) Average Date of Accident	6.0 months	6.0 months	
(3) Average Length of Time between Occurrence and Payment [(1)-(2)]	10.8 months	10.8 months	

(a) Based on the average of the three earliest accident year points.

(b) Based on the average of the three latest accident year points.

Based on this analysis the average length of time between occurrence and payment of a liability claim has remained the same over this period.

NORTH CAROLINA
ULTIMATE INCURRED LOSSES
LIABILITY

Accident Year	Losses (a)
1993	920,840,724
1994	1,012,878,331
1995	1,080,149,261
1996	1,132,931,481
1997	1,141,375,788
1998	1,136,947,157
1999	1,196,305,206
2000	1,222,843,227
2001	1,229,607,885
2002	1,286,721,537
2003	1,347,615,509
2004	1,394,134,208
2005	1,409,498,096
2006	1,476,431,771

(a) Total limits Bodily Injury, Property Damage and Medical Payments combined. 63 months is considered ultimate.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

B.I., P.D., Med.Pay. Combined Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					908,189,230
1994				978,449,411	1,000,883,797
1995			993,341,823	1,046,916,855	1,067,822,322
1996		943,479,998	1,039,953,497	1,096,655,496	1,120,668,124
1997	725,091,323	955,293,444	1,051,378,903	1,106,544,953	1,129,898,054
1998	733,293,590	952,668,575	1,047,887,918	1,100,677,997	1,125,855,949
1999	766,874,761	998,045,746	1,100,179,975	1,155,991,393	1,182,252,291
2000	799,103,515	1,033,184,626	1,128,230,873	1,186,247,890	1,211,236,400
2001	789,771,959	1,030,163,060	1,132,217,585	1,192,854,613	1,217,736,943
2002	829,685,310	1,079,156,317	1,189,961,232	1,251,448,431	1,274,468,167
2003	856,896,088	1,131,112,193	1,242,432,276	1,308,422,750	
2004	871,810,336	1,144,640,374	1,288,901,723		
2005	909,074,242	1,179,518,772			
2006	945,268,207				

Ratio of Paid to Ultimate Incurred

Accident Year	0-15 Mo.	15-27 Mo.	27-39 Months	39-51 Months	51-63 Months
1993					0.986
1994				0.966	0.988
1995			0.920	0.969	0.989
1996		0.833	0.918	0.968	0.989
1997	0.635	0.837	0.921	0.969	0.990
1998	0.645	0.838	0.922	0.968	0.990
1999	0.641	0.834	0.920	0.966	0.988
2000	0.653	0.845	0.923	0.970	0.991
2001	0.642	0.838	0.921	0.970	0.990
2002	0.645	0.839	0.925	0.973	0.990
2003	0.636	0.839	0.922	0.971	
2004	0.625	0.821	0.925		
2005	0.645	0.837			
2006	0.640				

Earliest Three Year Avg	0.640	0.836	0.920	0.968	0.988
Latest Three Year Avg	0.637	0.832	0.924	0.971	0.990

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

B.I., P.D., Med.Pay. Combined Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					920,840,724
1994				1,016,315,942	1,012,878,331
1995			1,078,266,528	1,084,703,753	1,080,149,261
1996		1,118,000,018	1,131,203,067	1,133,191,100	1,132,931,481
1997	1,082,877,971	1,120,759,790	1,132,077,719	1,139,495,672	1,141,375,788
1998	1,067,358,126	1,110,156,274	1,126,606,291	1,135,634,931	1,136,947,157
1999	1,113,366,528	1,157,598,783	1,182,991,251	1,192,900,037	1,196,305,206
2000	1,115,662,106	1,185,355,980	1,207,738,470	1,220,516,831	1,222,843,227
2001	1,127,660,082	1,189,153,419	1,216,383,714	1,229,418,504	1,229,607,885
2002	1,177,233,497	1,247,824,357	1,275,184,350	1,288,590,884	1,286,721,537
2003	1,218,414,098	1,306,023,654	1,340,479,085	1,347,615,509	
2004	1,260,406,094	1,332,457,165	1,381,698,918		
2005	1,272,189,647	1,359,207,421			
2006	1,336,137,349				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.997
1995			1.006	0.996
1996		1.012	1.002	1.000
1997	1.035	1.010	1.007	1.002
1998	1.040	1.015	1.008	1.001
1999	1.040	1.022	1.008	1.003
2000	1.062	1.019	1.011	1.002
2001	1.055	1.023	1.011	1.000
2002	1.060	1.022	1.011	0.999
2003	1.072	1.026	1.005	
2004	1.057	1.037		
2005	1.068			

Five Year Average 1.062 1.025 1.009 1.001

Three Year Average 1.066 1.028 1.009 1.000

Five Year Three Year

39 to 63 months: 1.010 1.009
27 to 63 months: 1.035 1.037
15 to 63 months: 1.099 1.105

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 ASSETS

1	Bonds	174,380,420
2	Stocks	
	2.1 Preferred stocks	4,096,237
	2.2 Common stocks	128,034,439
3	Mortgage loans on real estate	
	3.1 First Liens	2,006,844
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,200,800
	4.2 Other properties	0
5	Cash and Short-term investments	16,709,473
6	Other invested assets	14,208,644
7	Receivable for securities	804,279
8	Aggregate write-ins for invested assets	736,815
9	Subtotals, cash and invested assets	345,443,785
10	Agents balances or uncollected premiums	
	10.1 In course of collection	8,121,254
	10.2 Booked but deferred and not yet due	21,919,295
	10.3 Accrued retrospective premiums	2,219,716
11	Funds held by or deposited with reinsured companies	243,266
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	4,062,746
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	225,456
15	Electronic data processing equipment	831,962
16	Interest, dividends and real estate income due and accrued	2,399,464
17	Receivable from parent, subsidiaries and affiliates	4,564,383
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,467,547
22	TOTALS (items 8a through 20)	401,281,639

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,467,547
6	TOTALS	6,467,547

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 LIABILITIES

1	Losses	96,994,998
1A	Reinsurance payable on paid loss and loss adjustment expense	2,327,313
2	Loss adjustment expenses	23,176,966
3	Contingent commissions and other similar charges	1,479,600
4	Other expenses	7,962,139
5	Taxes, licenses and fees	1,547,321
6	Federal and foreign income taxes	0
7	Borrowed money	1,446,338
8	Interest	0
9	Unearned premiums	52,795,027
10	Dividends declared and unpaid	
	(a) Stockholders	339,204
	(b) Policyholders	1,331,732
11	Funds held by company under reinsurance treaties	3,391,693
12	Amounts withheld or retained by company for account of others	3,590,811
13	Remittances and items not allocated	645,710
14	Provision for reinsurance	1,089,241
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	114,422
17	Drafts outstanding	1,658,907
18	Payable to parent, subsidiaries and affiliates	2,252,275
19	Payable for securities	1,394,230
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	8,261,368
23	Total liabilities	223,509,071
24	Aggregate write-ins for special surplus funds	38,613,559
25	Common capital stock	261,745
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	15,564
26A	Surplus notes	3,853,775
26B	Gross paid in and contributed surplus	22,715,386
26C	Unassigned funds (surplus)	112,005,661
26D	Treasury stock	
	(1) common	8,182
	(2) preferred	0
27	Surplus as regards policyholders	177,772,569
28	TOTALS	401,281,639

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,551,384
4	Discount on loss reserve	0
5	Other write-ins	9,688,075
9	TOTALS	8,261,368

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	15,564

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	144,065,980
	Deductions	
2	Losses incurred	79,197,522
3	Loss expenses incurred	16,901,404
4	Other underwriting expenses incurred	36,037,407
5	Aggregate write-ins for underwriting deductions	-17,325
6	Total underwriting deductions	132,119,008
7	Net underwriting gain or loss	11,946,972
8	Net investment income earned	14,774,737
9	Net realized capital gains or losses	862,897
9A	Net investment gain or loss	15,637,633
10	Net gain or loss from agents or premium balances charged off	-302,681
11	Finance or service charges not included in premiums	1,012,282
12	Aggregate write-ins for miscellaneous income	-391,321
13	Total other income	318,280
14	Net income before dividends to policyholders and before federal and foreign income taxes	27,902,885
14A	Dividends to policyholders	1,959,223
14B	Net income after dividends to policyholders but before federal and foreign income taxes	25,943,663
15	Federal and foreign income taxes incurred	5,980,331
16	Net income	19,963,331
17	Surplus as regards policyholders, December 31 previous year	150,028,208
18	Net income	19,963,331
19	Net unrealized capital gains or losses	12,898,511
20	Change in non-admitted assets	-1,436,836
21	Change in provision for reinsurance	244,171
22	Change in foreign exchange adjustment	140,484
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	3,200
	(b) Transferred from surplus	5,000
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,197,731
	(b) Transferred to capital	-5,000
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-5,419,237
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-222,259
31	Change in surplus as regards policyholders for the year	27,744,361
32	Surplus as regards policyholders, December 31 current year	177,772,569

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-221,810
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-222,259

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 ASSETS

1	Bonds	155,169,650
2	Stocks	
	2.1 Preferred stocks	3,262,789
	2.2 Common stocks	115,889,175
3	Mortgage loans on real estate	
	3.1 First Liens	1,862,801
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,060,690
	4.2 Other properties	0
5	Cash and Short-term investments	15,751,368
6	Other invested assets	13,794,002
7	Receivable for securities	791,360
8	Aggregate write-ins for invested assets	577,887
9	Subtotals, cash and invested assets	311,416,473
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,931,726
	10.2 Booked but deferred and not yet due	18,403,606
	10.3 Accrued retrospective premiums	2,129,184
11	Funds held by or deposited with reinsured companies	215,426
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,820,356
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	196,879
15	Electronic data processing equipment	808,193
16	Interest, dividends and real estate income due and accrued	2,104,084
17	Receivable from parent, subsidiaries and affiliates	4,441,712
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	5,582,752
22	TOTALS (items 8a through 20)	360,257,856

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on lossreserve	0
2	Other write-ins	5,582,752
6	TOTALS	5,582,752

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 LIABILITIES

1	Losses	86,553,207
1A	Reinsurance payable on paid loss and loss adjustment expense	2,162,314
2	Loss adjustment expenses	20,866,019
3	Contingent commissions and other similar charges	1,278,320
4	Other expenses	7,777,037
5	Taxes, licenses and fees	1,412,536
6	Federal and foreign income taxes	0
7	Borrowed money	1,459,511
8	Interest	0
9	Unearned premiums	48,155,178
10	Dividends declared and unpaid	
	(a) Stockholders	1,420
	(b) Policyholders	1,301,565
11	Funds held by company under reinsurance treaties	3,227,724
12	Amounts withheld or retained by company for account of others	2,954,190
13	Remittances and items not allocated	641,906
14	Provision for reinsurance	969,682
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	70,253
17	Drafts outstanding	1,211,032
18	Payable to parent, subsidiaries and affiliates	2,264,301
19	Payable for securities	1,212,435
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	6,970,310
23	Total liabilities	201,199,449
24	Aggregate write-ins for special surplus funds	38,491,350
25	Common capital stock	211,225
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	14,314
26A	Surplus notes	3,853,775
26B	Gross paid in and contributed surplus	16,932,300
26C	Unassigned funds (surplus)	99,240,549
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	159,058,407
28	TOTALS	360,257,856

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,725,484
4	Discount on loss reserve	0
5	Other write-ins	8,571,117
9	TOTALS	6,970,310

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
5	TOTALS	14,314

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	134,686,198
	Deductions	
2	Losses incurred	73,965,113
3	Loss expenses incurred	15,814,784
4	Other underwriting expenses incurred	33,248,209
5	Aggregate write-ins for underwriting deductions	-17,303
6	Total underwriting deductions	123,010,804
7	Net underwriting gain or loss	11,675,394
8	Net investment income earned	13,520,320
9	Net realized capital gains or losses	658,192
9A	Net investment gain or loss	14,178,512
10	Net gain or loss from agents or premium balances charged off	-285,436
11	Finance or service charges not included in premiums	1,007,965
12	Aggregate write-ins for miscellaneous income	-227,172
13	Total other income	495,356
14	Net income before dividends to policyholders and before federal and foreign income taxes	26,349,262
14A	Dividends to policyholders	1,936,803
14B	Net income after dividends to policyholders but before federal and foreign income taxes	24,412,458
15	Federal and foreign income taxes incurred	5,584,563
16	Net income	18,827,895
17	Surplus as regards policyholders, December 31 previous year	134,286,512
18	Net income	18,827,895
19	Net unrealized capital gains or losses	10,362,682
20	Change in non-admitted assets	-1,300,096
21	Change in provision for reinsurance	85,083
22	Change in foreign exchange adjustment	142,128
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	5,000
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,159,192
	(b) Transferred to capital	-5,000
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-4,521,864
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-412,850
31	Change in surplus as regards policyholders for the year	24,771,894
32	Surplus as regards policyholders, December 31 current year	159,058,407

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-412,402
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-412,850

NORTH CAROLINA
 PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 ASSETS

1	Bonds	138,962,470
2	Stocks	
	2.1 Preferred stocks	2,713,015
	2.2 Common stocks	111,940,582
3	Mortgage loans on real estate	
	3.1 First Liens	1,931,563
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,084,574
	4.2 Other properties	0
5	Cash and Short-term investments	15,388,863
6	Other invested assets	12,073,177
7	Receivable for securities	789,511
8	Aggregate write-ins for invested assets	375,565
9	Subtotals, cash and invested assets	288,523,269
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,029,334
	10.2 Booked but deferred and not yet due	17,846,739
	10.3 Accrued retrospective premiums	514,610
11	Funds held by or deposited with reinsured companies	533,555
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,399,803
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	172,969
15	Electronic data processing equipment	793,835
16	Interest, dividends and real estate income due and accrued	1,884,579
17	Receivable from parent, subsidiaries and affiliates	2,980,065
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	3,561,363
22	TOTALS (items 8a through 20)	329,921,935

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on lossreserve	0
2	Other write-ins	3,561,363
6	TOTALS	3,561,363

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 LIABILITIES

1	Losses	73,826,601
1A	Reinsurance payable on paid loss and loss adjustment expense	1,877,856
2	Loss adjustment expenses	18,642,429
3	Contingent commissions and other similar charges	1,370,817
4	Other expenses	7,793,692
5	Taxes, licenses and fees	1,214,239
6	Federal and foreign income taxes	0
7	Borrowed money	1,278,179
8	Interest	0
9	Unearned premiums	44,026,741
10	Dividends declared and unpaid	
	(a) Stockholders	1,420
	(b) Policyholders	1,300,178
11	Funds held by company under reinsurance treaties	3,424,402
12	Amounts withheld or retained by company for account of others	2,966,926
13	Remittances and items not allocated	663,106
14	Provision for reinsurance	891,099
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	70,253
17	Drafts outstanding	1,201,117
18	Payable to parent, subsidiaries and affiliates	709,339
19	Payable for securities	1,074,525
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	5,311,165
23	Total liabilities	178,121,387
24	Aggregate write-ins for special surplus funds	38,472,922
25	Common capital stock	186,812
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	14,314
26A	Surplus notes	3,833,775
26B	Gross paid in and contributed surplus	13,891,819
26C	Unassigned funds (surplus)	95,086,011
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	151,800,548
28	TOTALS	329,921,935

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,668,452
4	Discount on loss reserve	0
5	Other write-ins	6,854,940
9	TOTALS	5,311,165

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,314

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
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TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	127,086,486
	Deductions	
2	Losses incurred	69,329,995
3	Loss expenses incurred	14,904,663
4	Other underwriting expenses incurred	31,773,326
5	Aggregate write-ins for underwriting deductions	-17,303
6	Total underwriting deductions	115,990,682
7	Net underwriting gain or loss	11,095,803
8	Net investment income earned	12,707,838
9	Net realized capital gains or losses	607,687
9A	Net investment gain or loss	13,315,525
10	Net gain or loss from agents or premium balances charged off	-232,962
11	Finance or service charges not included in premiums	1,012,949
12	Aggregate write-ins for miscellaneous income	-288,414
13	Total other income	491,573
14	Net income before dividends to policyholders and before federal and foreign income taxes	24,902,901
14A	Dividends to policyholders	1,934,479
14B	Net income after dividends to policyholders but before federal and foreign income taxes	22,968,423
15	Federal and foreign income taxes incurred	5,290,772
16	Net income	17,677,650
17	Surplus as regards policyholders, December 31 previous year	128,572,451
18	Net income	17,677,650
19	Net unrealized capital gains or losses	10,079,885
20	Change in non-admitted assets	-1,448,007
21	Change in provision for reinsurance	-18,187
22	Change in foreign exchange adjustment	19,794
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	3,200
	(b) Transferred from surplus	360
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,156,129
	(b) Transferred to capital	-360
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-4,550,508
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-53,764
31	Change in surplus as regards policyholders for the year	23,228,097
32	Surplus as regards policyholders, December 31 current year	151,800,548

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-53,316
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-53,764

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 ASSETS

1	Bonds	141,271,404
2	Stocks	
	2.1 Preferred stocks	2,721,724
	2.2 Common stocks	112,461,541
3	Mortgage loans on real estate	
	3.1 First Liens	1,931,563
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,089,212
	4.2 Other properties	0
5	Cash and Short-term investments	15,541,930
6	Other invested assets	12,260,386
7	Receivable for securities	789,901
8	Aggregate write-ins for invested assets	375,565
9	Subtotals, cash and invested assets	291,707,174
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,106,820
	10.2 Booked but deferred and not yet due	17,995,992
	10.3 Accrued retrospective premiums	520,993
11	Funds held by or deposited with reinsured companies	533,573
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,454,485
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	175,255
15	Electronic data processing equipment	809,320
16	Interest, dividends and real estate income due and accrued	1,913,186
17	Receivable from parent, subsidiaries and affiliates	2,958,788
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	3,574,567
22	TOTALS (items 8a through 20)	333,498,710

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	3,574,567
6	TOTALS	3,574,567

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 LIABILITIES

1	Losses	75,326,895
1A	Reinsurance payable on paid loss and loss adjustment expense	1,876,786
2	Loss adjustment expenses	18,973,889
3	Contingent commissions and other similar charges	1,400,620
4	Other expenses	7,816,416
5	Taxes, licenses and fees	1,237,238
6	Federal and foreign income taxes	0
7	Borrowed money	1,278,179
8	Interest	0
9	Unearned premiums	44,415,253
10	Dividends declared and unpaid	
	(a) Stockholders	1,420
	(b) Policyholders	1,301,260
11	Funds held by company under reinsurance treaties	3,454,936
12	Amounts withheld or retained by company for account of others	2,963,472
13	Remittances and items not allocated	663,442
14	Provision for reinsurance	891,274
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	70,253
17	Drafts outstanding	1,201,117
18	Payable to parent, subsidiaries and affiliates	743,795
19	Payable for securities	1,100,470
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	5,299,143
23	Total liabilities	180,502,289
24	Aggregate write-ins for special surplus funds	38,477,814
25	Common capital stock	192,579
25B	Preferred capital stock	315,000
25C	Aggregate write-ins for other than special surplus funds	14,314
26A	Surplus notes	3,833,775
26B	Gross paid in and contributed surplus	14,506,762
26C	Unassigned funds (surplus)	95,656,342
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	152,996,421
28	TOTALS	333,498,710

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,686,059
4	Discount on loss reserve	0
5	Other write-ins	6,860,525
9	TOTALS	5,299,143

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,314

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TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	127,892,027
	Deductions	
2	Losses incurred	69,702,592
3	Loss expenses incurred	15,008,654
4	Other underwriting expenses incurred	31,978,022
5	Aggregate write-ins for underwriting deductions	-17,303
6	Total underwriting deductions	116,671,965
7	Net underwriting gain or loss	11,220,062
8	Net investment income earned	12,873,845
9	Net realized capital gains or losses	594,318
9A	Net investment gain or loss	13,468,163
10	Net gain or loss from agents or premium balances charged off	-234,412
11	Finance or service charges not included in premiums	1,011,143
12	Aggregate write-ins for miscellaneous income	-291,728
13	Total other income	485,004
14	Net income before dividends to policyholders and before federal and foreign income taxes	25,173,229
14A	Dividends to policyholders	1,935,244
14B	Net income after dividends to policyholders but before federal and foreign income taxes	23,237,985
15	Federal and foreign income taxes incurred	5,353,784
16	Net income	17,884,201
17	Surplus as regards policyholders, December 31 previous year	129,496,171
18	Net income	17,884,201
19	Net unrealized capital gains or losses	10,149,654
20	Change in non-admitted assets	-1,445,630
21	Change in provision for reinsurance	-16,874
22	Change in foreign exchange adjustment	19,967
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	360
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,154,329
	(b) Transferred to capital	-360
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-4,548,530
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-53,764
31	Change in surplus as regards policyholders for the year	23,500,250
32	Surplus as regards policyholders, December 31 current year	152,996,421

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-53,315
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	-53,764

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TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2005 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	51,183,119,000
2	Net Premiums Earned	51,013,846,000
3	Dividends to Policyholders	901,375,000
4	Incurred Losses	29,959,178,000
5	Allocated Loss Adjustment Expenses Incurred	1,889,659,000
6	Unallocated Loss Adjustment Expenses Incurred	5,262,808,000
7	Unpaid Losses	36,620,915,000
8	Allocated Loss Adjustment Expenses Unpaid	5,525,229,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,060,154,000
10	Unearned Premium Reserves	14,536,429,000
11	Agents' Balances	8,412,072,000
12	Commission and Brokerage Expense	4,057,505,000
13	Taxes, Licenses and Fees Incurred	1,232,041,000
14	Other Acquisition, Etc. Expenses Incurred	4,204,038,000
15	General Expenses Incurred	2,493,680,000
16	Other Income Less Other Expenses	212,260,000
17	Pretax Profit Excluding Investment Gain	1,225,816,000
18	Investment Gain on Insurance Transactions	2,494,784,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,720,609,000
20	Investment Gain on Capital and Surplus	3,014,156,000
21	Total Profit or Loss	6,734,775,000

PHYSICAL DAMAGE

	Net Premiums Written	35,083,999,000
2	Net Premiums Earned	34,898,449,000
3	Dividends to Policyholders	691,561,000
4	Incurred Losses	19,452,590,000
5	Allocated Loss Adjustment Expenses Incurred	124,868,000
6	Unallocated Loss Adjustment Expenses Incurred	3,234,812,000
7	Unpaid Losses	1,827,753,000
8	Allocated Loss Adjustment Expenses Unpaid	103,327,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,031,255,000
10	Unearned Premium Reserves	10,100,336,000
11	Agents' Balances	5,805,731,000
12	Commission and Brokerage Expense	2,646,475,000
13	Taxes, Licenses and Fees Incurred	837,182,000
14	Other Acquisition, Etc. Expenses Incurred	2,878,670,000
15	General Expenses Incurred	1,618,201,000
16	Other Income Less Other Expenses	142,812,000
17	Pretax Profit Excluding Investment Gain	3,556,905,000
18	Investment Gain on Insurance Transactions	234,372,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,791,282,000
20	Investment Gain on Capital and Surplus	1,369,898,000
21	Total Profit or Loss	5,161,183,000

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AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2006 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	50,325,274,000
2	Net Premiums Earned	50,161,357,000
3	Dividends to Policyholders	905,064,000
4	Incurring Losses	29,406,677,000
5	Allocated Loss Adjustment Expenses Incurred	1,863,457,000
6	Unallocated Loss Adjustment Expenses Incurred	5,199,709,000
7	Unpaid Losses	35,870,693,000
8	Allocated Loss Adjustment Expenses Unpaid	5,424,059,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,008,750,000
10	Unearned Premium Reserves	14,081,057,000
11	Agents' Balances	7,851,129,000
12	Commission and Brokerage Expense	3,983,909,000
13	Taxes, Licenses and Fees Incurred	1,218,213,000
14	Other Acquisition, Etc. Expenses Incurred	4,165,746,000
15	General Expenses Incurred	2,361,785,000
16	Other Income Less Other Expenses	243,616,000
17	Pretax Profit Excluding Investment Gain	1,300,421,000
18	Investment Gain on Insurance Transactions	2,449,924,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,750,353,000
20	Investment Gain on Capital and Surplus	2,916,793,000
21	Total Profit or Loss	6,667,148,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,537,947,000
2	Net Premiums Earned	34,350,106,000
3	Dividends to Policyholders	694,913,000
4	Incurring Losses	19,186,159,000
5	Allocated Loss Adjustment Expenses Incurred	124,554,000
6	Unallocated Loss Adjustment Expenses Incurred	3,207,928,000
7	Unpaid Losses	1,823,291,000
8	Allocated Loss Adjustment Expenses Unpaid	97,868,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,020,127,000
10	Unearned Premium Reserves	9,781,449,000
11	Agents' Balances	5,403,526,000
12	Commission and Brokerage Expense	2,597,478,000
13	Taxes, Licenses and Fees Incurred	825,025,000
14	Other Acquisition, Etc. Expenses Incurred	2,853,408,000
15	General Expenses Incurred	1,530,529,000
16	Other Income Less Other Expenses	161,149,000
17	Pretax Profit Excluding Investment Gain	3,491,266,000
18	Investment Gain on Insurance Transactions	238,789,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,730,059,000
20	Investment Gain on Capital and Surplus	1,332,990,000
21	Total Profit or Loss	5,063,061,000

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2005 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	49,741,242,000
2	Net Premiums Earned	49,627,932,000
3	Dividends to Policyholders	905,064,000
4	Incurred Losses	29,078,452,000
5	Allocated Loss Adjustment Expenses Incurred	1,812,435,000
6	Unallocated Loss Adjustment Expenses Incurred	5,176,910,000
7	Unpaid Losses	35,497,899,000
8	Allocated Loss Adjustment Expenses Unpaid	5,355,058,000
9	Unallocated Loss Adjustment Expenses Unpaid	3,998,356,000
10	Unearned Premium Reserves	13,705,591,000
11	Agents' Balances	7,748,454,000
12	Commission and Brokerage Expense	3,884,365,000
13	Taxes, Licenses and Fees Incurred	1,192,360,000
14	Other Acquisition, Etc. Expenses Incurred	4,121,960,000
15	General Expenses Incurred	2,336,467,000
16	Other Income Less Other Expenses	239,585,000
17	Pretax Profit Excluding Investment Gain	1,359,505,000
18	Investment Gain on Insurance Transactions	2,426,240,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,785,753,000
20	Investment Gain on Capital and Surplus	2,896,511,000
21	Total Profit or Loss	6,682,272,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,449,585,000
2	Net Premiums Earned	34,368,132,000
3	Dividends to Policyholders	694,913,000
4	Incurred Losses	19,146,440,000
5	Allocated Loss Adjustment Expenses Incurred	107,092,000
6	Unallocated Loss Adjustment Expenses Incurred	3,221,921,000
7	Unpaid Losses	1,813,918,000
8	Allocated Loss Adjustment Expenses Unpaid	92,321,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,022,516,000
10	Unearned Premium Reserves	9,726,983,000
11	Agents' Balances	5,402,881,000
12	Commission and Brokerage Expense	2,654,638,000
13	Taxes, Licenses and Fees Incurred	818,915,000
14	Other Acquisition, Etc. Expenses Incurred	2,847,090,000
15	General Expenses Incurred	1,550,366,000
16	Other Income Less Other Expenses	162,828,000
17	Pretax Profit Excluding Investment Gain	3,489,589,000
18	Investment Gain on Insurance Transactions	236,414,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,726,007,000
20	Investment Gain on Capital and Surplus	1,340,332,000
21	Total Profit or Loss	5,066,349,000

NORTH CAROLINA
PERSONAL AUTO PHYSICAL DAMAGE INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2006 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	49,793,841,000
2	Net Premiums Earned	49,677,872,000
3	Dividends to Policyholders	905,064,000
4	Incurred Losses	29,106,409,000
5	Allocated Loss Adjustment Expenses Incurred	1,814,012,000
6	Unallocated Loss Adjustment Expenses Incurred	5,185,384,000
7	Unpaid Losses	35,564,415,000
8	Allocated Loss Adjustment Expenses Unpaid	5,363,822,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,002,771,000
10	Unearned Premium Reserves	13,730,340,000
11	Agents' Balances	7,736,390,000
12	Commission and Brokerage Expense	3,874,975,000
13	Taxes, Licenses and Fees Incurred	1,196,644,000
14	Other Acquisition, Etc. Expenses Incurred	4,128,787,000
15	General Expenses Incurred	2,339,301,000
16	Other Income Less Other Expenses	237,735,000
17	Pretax Profit Excluding Investment Gain	1,365,032,000
18	Investment Gain on Insurance Transactions	2,427,274,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,792,316,000
20	Investment Gain on Capital and Surplus	2,899,583,000
21	Total Profit or Loss	6,691,903,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,487,379,000
2	Net Premiums Earned	34,404,634,000
3	Dividends to Policyholders	694,913,000
4	Incurred Losses	19,164,116,000
5	Allocated Loss Adjustment Expenses Incurred	106,827,000
6	Unallocated Loss Adjustment Expenses Incurred	3,226,175,000
7	Unpaid Losses	1,814,077,000
8	Allocated Loss Adjustment Expenses Unpaid	91,939,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,023,217,000
10	Unearned Premium Reserves	9,743,494,000
11	Agents' Balances	5,401,497,000
12	Commission and Brokerage Expense	2,652,224,000
13	Taxes, Licenses and Fees Incurred	820,962,000
14	Other Acquisition, Etc. Expenses Incurred	2,850,807,000
15	General Expenses Incurred	1,551,176,000
16	Other Income Less Other Expenses	162,389,000
17	Pretax Profit Excluding Investment Gain	3,499,829,000
18	Investment Gain on Insurance Transactions	235,951,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,735,784,000
20	Investment Gain on Capital and Surplus	1,341,816,000
21	Total Profit or Loss	5,077,620,000

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING AS PER 11 NCAC 10.1104

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A
CERTIFICATION OF COMPLIANCE WITH THEM

(a) ISO Personal Auto Statistical Plan

ISO Minimum Personal Auto Statistical Plan

ISO 2006 Call for Personal Auto Bodily Injury and Property Damage
Liability and No-Fault Statistics

ISO 2006 Call for Personal Auto Physical Damage Statistics

ISO 2006 Call for Personal Auto Minimum Statistical Plan Liability
and No-Fault Statistics

ISO 2006 Call for Personal Auto Minimum Statistical Plan Physical
Damage Statistics

ISS Automobile Statistical Plans - All Coverages

ISS 2006 quarterly Automobile Liability and Physical Damage Call

ISS Voluntary Automobile Excess Loss Call

Annual Statement for Calendar Year 2006

Insurance Expense Exhibit for Calendar Year 2006

RB Calls for 2006 North Carolina Automobile and Motorcycle Expense
Experience

NISS Automobile Statistical Plan - All Coverages - Part IV, North
Carolina

NISS 2006 Quarterly Automobile Call

NISS 2006 Quarterly Automobile Excess Loss Call

NISS 2006 Calendar Year Annual Statement

NISS 2007 Financial Reconciliation Call

(b) The North Carolina Rate Bureau certifies that there is no evidence known to it or, insofar as it is aware following reasonable inquiry, to the statistical agencies involved that the data which were collected under the statistical plans identified in response (11)(a) above and used in the filing are not materially true and accurate representations of the experience of the companies whose data underlie such experience. While the Rate Bureau is aware that the collected data sometimes require corrections or adjustments, the Rate Bureau's review of the data, the data collection process, and the ratemaking process indicates that the aggregate data are reasonable and reliable for ratemaking purposes. See also the prefiled testimony of P. Woods and M. Miller.

(c) Pages H-617-621 contain general descriptions of the editing procedures used to ensure data were collected in accordance with the applicable statistical plans.

North Carolina Private Passenger Automobile Insurance Statistical Data

ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Private Passenger, Bodily Injury, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Page 15 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified and results are verified by checking back to the source data.

ISO's edit procedure for Private Passenger Automobile data is in compliance with the requirements of the Statistical Data Monitoring System (SDMS) which is mandated for use in several states and was developed by the New York Insurance Department in conjunction with the Arthur Andersen Company. SDMS was developed to provide procedures for the companies that report, and stat agents that collect, data in order to put controls into the reporting system to generate valid results. ISO employs the procedures detailed by SDMS throughout the country.

North Carolina Private Passenger Automobile Insurance Statistical Data

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Page 15 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Similarly, the various coverages written on private passenger automobile policies in North Carolina are defined in the Automobile Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This initiates balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

North Carolina Private Passenger Automobile Insurance Statistical Data

NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittals to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Page 15 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current quarter data to the previous quarter. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Given the selected underwriting profit provisions contained in the filing, the pro forma statutory return on net worth (equity capital), is shown in the filing and the pre-filed testimony of D. Appel. Also shown therein is the ratio of net worth to surplus of 1.19. (This value is based on a five year average using data through 2006.) Accordingly, the corresponding return on statutory capital and surplus would be 13.15% for liability and 13.24% for physical damage. Based on data from A.M. Best's Aggregates and Averages, the 5-year average ratio of net worth to assets is .352. Accordingly, the corresponding return on assets would be 3.90% for liability and 3.93% for physical damage.

See also pre-filed testimony of D. Appel and J. Vander Weide.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
 REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
 AS PER 11 NCAC 10.1104

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS WITHOUT
 ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

(a) The aggregate premium to surplus ratios for the latest available
 calendar years for the company groups which have written North
 Carolina private passenger automobile insurance during the entire
 period shown are as follows:

	Liability	Physical Damage
1997	0.969	0.974
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956

Note: These data are available from Best's Data Service and Best's
 Aggregate and Averages.

(b) The experience provides the best estimate of the future. See the
 prefiled testimony of D. Appel.

(c) The actual premium to surplus ratio for the property and casualty
 industry on a countrywide basis (based upon the latest A. M. Best
 data available at this time) is as follows:

(000's omitted)

STATUTORY CAPITAL AND SURPLUS, 2006	\$501,207,293
STATUTORY CAPITAL AND SURPLUS, 2005	\$435,348,403
AVERAGE STATUTORY CAPITAL AND SURPLUS (2006)	468,277,348
NET PREMIUMS EARNED (2006)	445,308,937
PREMIUM/SURPLUS RATIO	0.951

The actual level of capital and surplus needed to support premium
 writings without endangering the solvency of a company is dependent
 upon (among others) the financial structure and investments unique
 to each company, the relationship of the company with affiliated
 companies as a group (and the experience of the affiliated
 companies), the mix of business of each company, and the conditions
 of the economy as they affect each company's individual
 circumstances. The Rate Bureau is advised that the National
 Association of Insurance Commissioners, as one of several criteria,
 generally considers that a premium to surplus ratio for an
 individual company of 3 to 1 warrants close regulatory attention and
 monitoring with respect to the company's solvency position.

(d) The Rate Bureau has not allocated surplus by state and by line in
 preparing this filing. The Rate Bureau has treated surplus in this
 manner because each dollar of surplus is available to cover losses
 in excess of premium for each and every line.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

See attached Exhibits (14)(a), (b), (c) and (d).

See the pre-filed testimony of P. Woods, D. Appel and J. Vander Weide.

Exhibit (14)(b)

The following pages include copies of agendas and minutes of telephone conferences and meetings of the Rate Bureau affecting this filing, along with lists of attendees, their titles and their affiliations.

There was no agenda for the January 16, 2008 telephone conference of the Automobile Committee.

MEMBERS PRESENT DURING THE DECEMBER 6, 2007
MEETING OF THE AUTOMOBILE COMMITTEE

Automobile Committee Members Present

Allstate Insurance Company

Steve Armstrong - Senior Actuary

GEICO Indemnity Company

A. J. Zuvich - GEICO Direct Military Center Manager

Hartford Fire Insurance Company

John Krauss - ACAS

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Liberty Mutual Insurance Company

John Ittner - Director of State Operations

Lumbermens Mutual Casualty Company

Amy Brown - Regional Product Manager

Nationwide Mutual Insurance Company

Dan Meyers - Associate Actuary

N. C. Farm Bureau Mutual Insurance Company

Roger Batdorff - Sr. Executive - Actuarial Research & Financial/Investments

Progressive Casualty Company

Gloria Guntinas - Product Manager

Kate Terry - N. C. Product Manager

State Farm Mutual Automobile Insurance Company

Steve Harr, Pricing Director

Kathy Popejoy - Actuary, Pricing Director

Travelers Indemnity Company

Ken Surian - Vice President - Product Management

United Services Automobile Association

Lisa Sukow - USAA Director

Others Present

Insurance Services Office

Pat Woods - Assistant Vice President

Milliman, USA

Dave Appel, Ph.D - Director, Economics Consulting

Epic Consulting

Mike Miller - Principal & Consulting Actuary

Young, Moore & Henderson

Mickey Spivey - NCRB Counsel

Mike Strickland - NCRB Counsel

North Carolina Rate Bureau

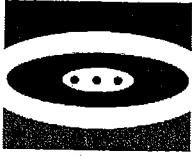
Edith Davis - Director, Reinsurance Facility

Wayne Hinton - Automobile Manager

Tim Lucas - Personal Lines Manager

Sue Taylor - Director, Insurance Operations

*Participated Via Teleconference



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

December 3, 2007

CIRCULAR LETTER TO THE AUTOMOBILE COMMITTEE

Re: Agenda
Meeting - December 6, 2007

As previously announced a Meeting of the Automobile Committee will be held on Thursday, December 6, 2007 beginning at 8:30 A.M. (Eastern Time) in the Rate Bureau offices.

The following constitutes the agenda:

1. Review of the Anti-trust Guidelines and Conflict of Interest Statement (Exhibits A and B)

2. Report of Staff and Counsel

Staff and Counsel will report on any recent developments.

3. Personal Auto Manual Rule 15. Certified Risks

During the last telephone conference of the Automobile Committee, the Committee reviewed a proposal from the Operations and Underwriting Subcommittee that would change the rating of certified risks. The Committee agreed to continue discussion of the proposal at a later date.

As a reminder, the Operations and Underwriting Subcommittee reviewed the language in Rule 15. Certified Risks - Financial Responsibility Laws (Exhibit C) and determined that the current rule is difficult to use and should be rewritten. The Subcommittee recommends the attached revised manual rule and a fee of \$25 per driver.

H-628

The Committee will be called upon to discuss and to formulate a recommendation for the Governing Committee.

4. Model Year and Symbol Relativities

Since the Rate Bureau filed only a rate review during 2007 and did not implement a rate revision, the Rate Bureau filed changes in the model year and symbol relativities to update the model year tables and the base model year. This filing was made with the Department of Insurance on August 13, 2007 and the Department actuaries would not approve the revision because of a concern with changing the base rates as part of the update.

The Committee will be called upon to discuss and to formulate a recommendation for the Governing Committee.

5. 2008 Private Passenger Rate Level Review

Insurance Services Office distributed a package of material to the Automobile Committee on November 30, 2007. This material included the latest available trend information. This material and other items will be discussed to begin formulating a recommendation on the 2008 Private Passenger rate review.

The Committee will be called upon to discuss and to formulate a recommendation for the Governing Committee.

6. 2008 Uninsured and Combined Uninsured/Underinsured Motorist Coverage Rate Review

The Automobile Committee will be called upon to discuss the methodology currently used in pricing the UM and UIM coverages and to discuss whether sufficient data exist to improve the method of pricing these coverages in the 2008 Private Passenger rate review.

If you have any questions concerning these matters, please feel free to contact me.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms

AC-07-9

DRAFT

MINUTES OF THE MEETING OF THE AUTOMOBILE COMMITTEE HELD ON
DECEMBER 6, 2007

MEMBERS PRESENT

Allstate Insurance Company
GEICO Indemnity Company
Hartford Fire Insurance Company
Integon Indemnity Corporation
Kemper
Liberty Mutual Insurance Company
Nationwide Insurance
N.C. Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company

State Farm Mutual Automobile Insurance Company

The Travelers
United Services Automobile Association

REPRESENTED BY

Steve Armstrong
A.J. Zuvich
John Krause
Art Lyon
Amy Brown
John B. Ittner
Dan Myers
Roger Batdorff
Kate Terry
Gloria Guntinas
Kathy Popejoy
Steve Harr
Ken Surian
Lisa Sukow

OTHERS PRESENT

Young, Moore & Henderson

Insurance Service Offices
Epic Consulting
Milliman
Staff

REPRESENTED BY

Mike Strickland
Mickey Spivey
Pat Woods
Mike Miller
Dave Appel*
Ray Evans
Tim Lucas
Sue Taylor
Edith Davis
Wayne B. Hinton

*Participated by telephone in a portion of the meeting.

The meeting convened as scheduled, Steve Armstrong presiding.

Attention was directed to the Anti-Trust Guidelines and the Conflict of Interest Statement.

1. Report of Counsel

Mr. Strickland reported that, in the Burrill case, counsel for Mr. Burrill has filed a Petition for Discretionary Review in the Supreme Court and that the case is still pending.

2. Report of Staff

Mr. Lucas reported (1) that the changes to the Personal Auto Policy (PAP) have been filed with the Department of Insurance (Department) and are currently pending approval; (2) that the Personal Auto Manual rule regarding eligibility was filed with the PAP revisions and is pending with the Department; (3) that the inexperienced operator manual rule revision has been approved by the Department to become effective February 1, 2008 and (4) that the Amendatory Endorsement NC 00 10 was approved by the Department to become effective February 1, 2008 on a mandatory basis and prior to February 1, 2008 if the company notifies the Department of the intended effective date.

3. Personal Auto Manual Rule 15 Certified Risks

Mr. Lucas provided background information, stating (1) that during the last telephone conference of the Automobile Committee, the Committee was provided a recommendation from the Operations and Underwriting Subcommittee that a revised rule regarding certified risks be adopted; (2) that during that meeting it was noted that the current manual rule appears to price the risk based on his driving record and that under the proposal there would only be an administrative fee; and (3) that it had been agreed to continue the discussion at the next meeting.

Discussion continued. It was agreed that research was needed as to whether there is an increase in defense cost related to a risk that comes from a state that requires an SR-22.

Following discussion, it was agreed to discuss this issue with the Personal Auto Policy Subcommittee before acting on the recommendation of the Subcommittee.

4. Model Year and Symbol Relativities

Mr. Lucas reported that, (1) since the Rate Bureau filed a rate review during 2007 and did not implement a rate revision, the Rate Bureau had filed revised model year and symbol relativities to update the base model year in the manual; and (2) the Department had disapproved the filing because of a concern with an off-balance in the base rates as part of the update.

Following discussion, it was the consensus of the committee that, if a rate filing is made in 2008, the filing should update the base model year to 2009. The committee also agreed to remain status quo for the 2008 model years and that a Task Force should be formed to review model year and symbol relativities this summer. State Farm, Progressive, Kemper, Travelers and Liberty volunteered to be part of this Task Force.

5. 2008 Private Passenger Automobile Rate Filing

Attention was directed to the exhibits prepared by Insurance Service Office (ISO) and distributed prior to the meeting. Mr. Woods noted that the internal trend data are through the second quarter 2007. Mr. Woods led a discussion of the various loss and expense trends included in the package. The Committee reviewed and discussed the available trend data. After discussing the various trend data in the package of exhibits, the Committee used the Delphi method to stimulate discussion with regard to selection of trends. After a review and discussion of the various individual trend recommendations, and discussion of external factors such as gas prices and seat belt usage, the Committee selected loss, expense and symbol trend factors to be utilized by ISO in preparing the preliminary rate level indications. The Committee also agreed to continue its past practices with respect to the number of years of experience to use in rate level calculations for the different coverages.

The exhibits pertaining to the contingency factor were reviewed and discussed, and it was agreed to continue the discussion in the next telephone conference.

The expense summary was reviewed, and the increase in general expenses was noted and discussed. The information regarding increased expenses set forth in the letter received from Nationwide in response to the regulations applicable to rate filings was shared with the Committee and discussed.

Dr. Appel provided background information on the profit related issues and described the methodology used. He reported that the cost of capital analysis performed by Dr. Vander Weide indicates that the cost of equity for the property and casualty insurance industry is within a range of 11.2% to 14.1%. Mr. Spivey described the various analyses used by Dr. Vander Weide to determine the range for the cost of equity. Dr. Appel presented a summary of his pro forma model and described a number of the inputs, including the investment yield and the leverage ratios. He then provided an array of underwriting profit provisions and the returns generated by them for consideration by the Committee. Following discussion of the various components, the range for the cost of equity and the array of underwriting profit factors, the Automobile Committee selected underwriting profit provisions of 8.0% for auto liability and 11.0% for auto physical damage, which Dr. Appel noted would generate statutory returns that would not be excessive because the total returns generated by these underwriting profit provisions fall within the lower end of Dr. Vander Weide's range for the cost of equity.

The Committee discussed the UM and UIM rating methodology used in the past. Mr. Armstrong and Mr. De Nicola reported that the model used in the past in connection with UIM rates had been studied further and it had been found that the model, with improved parameters, gives results much closer than previously thought to

those of the experience review. Following discussion, the consensus was to prepare the indications using the industry experience.

There was further discussion regarding seatbelt usage in North Carolina, and it was noted that a new law recently went into effect requiring the use of seatbelts in the backseat. The Committee requested that counsel research the new law and report their findings to the Committee at the next telephone conference.

Mr. Armstrong noted a number of items remaining to be discussed, and a telephone conference was tentatively scheduled for December 17, 2007 at 2:00 p.m. (EST).

6. Statistical Data Reporting

Mr. Lucas and Mr. Woods raised an issue for discussion regarding the possible need for analysis of what statistical data need to be captured and reported when policy or program changes are made. Following discussion, the consensus was that the Committee should consider this issue each time such changes are made.

7. Adjournment

There being no further business, the meeting was adjourned.

Respectfully Submitted,

Wayne B. Hinton

Automobile Manager

WBH:dmp

AC-08-2

12/1/08

MEMBERS PARTICIPATING IN THE JANUARY 11, 2008
TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE

Automobile Committee Members Participating

Allstate Insurance Company

Steve Armstrong - Senior Actuary

GEICO Indemnity Company

A. J. Zuvich - GEICO Direct Military Center Manager

Hartford Fire Insurance Company

John Krauss - ACAS

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Nationwide Mutual Insurance Company

Isaac Adams - Product Director - Standard Auto

Dan Meyers - Associate Actuary

N. C. Farm Bureau Mutual Insurance Company

Roger Batdorff - Sr. Executive - Actuarial Research &
Financial/Investments

State Farm Mutual Automobile Insurance Company

Steve Harr, Pricing Director

Travelers Indemnity Company

Randy Krauss - Director B - Personal Lines

United Services Automobile Association

Lisa Sukow - USAA Director

Others Participating

Insurance Services Office

Dave DeNicola - Sr. Actuarial Associate

Pat Woods - Assistant Vice President

Milliman, USA

Dave Appel, Ph.D - Director, Economics Consulting

Epic Consulting

Mike Miller - Principal & Consulting Actuary

Young, Moore & Henderson

Mickey Spivey - NCRB Counsel

Mike Strickland - NCRB Counsel

North Carolina Rate Bureau

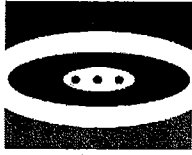
Edith Davis - Director, Reinsurance Facility

Ray Evans - General Manager

Wayne Hinton - Automobile Manager

Tim Lucas - Personal Lines Manager

Sue Taylor - Director, Insurance Operations



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

January 9, 2008

CIRCULAR LETTER TO THE AUTOMOBILE COMMITTEE

Re: Agenda
Telephone Conference - January 11, 2008

As previously announced a telephone conference of the Automobile Committee will be held on Friday, January 11, 2008 beginning at 10:00 A.M. (Eastern Time).

The following constitutes the agenda:

1. Review of the Anti-trust Guidelines and Conflict of Interest Statement (Exhibits A and B)

2. Report of Staff and Counsel

Staff and Counsel will report on any recent developments.

3. 2008 Private Passenger Rate Level Review

Please find attached Exhibit C which includes various exhibits which will be discussed during the telephone conference.

The Committee will be called upon to discuss and to formulate a recommendation for the Governing Committee.

If you have any questions concerning these matters, please feel free to contact me.

Very truly yours,

F. Timothy Lucas

Personal Lines Manager

FTL:dms
Attachments

P.O. Box 176010 • Raleigh NC 27619-6010 • (919) 783-9790 • www.ncrb.org

H-635

AC-08-1

NORTH CAROLINA

Exhibit C

PRIVATE PASSENGER LIABILITY INSURANCE
UNINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Basic Limit <u>Losses (A)(B)</u>	(3) <u>Exposures</u>	(4) UM Pure Premium <u>(2) / (3)</u>
12/31/1995	44,334,967	4,712,510	9.41
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,456,228	5,919,084	9.20
12/31/2005	57,234,669	6,101,254	9.38
12/31/2006	59,748,550	6,234,654	9.58

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	-1.2%
6 points	-0.4%
9 points	-0.2%
12 points	-0.3%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1995 - 12/31/2006.

NORTH CAROLINA
PRIVATE PASSENGER LIABILITY INSURANCE
UNDERINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	73,996,769	3,837,918	19.28
12/31/2005	74,957,287	3,956,036	18.95
12/31/2006	90,526,785	4,042,532	22.39

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	8.5%
6 points	5.5%
7 points	4.6%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

	(1)	(2)		(3)	(4)
<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1985:4	0.992	2.0%	1996:4	1.067	10.4%
1986:1	0.908	-3.5%	1997:1	1.070	8.1%
1986:2	0.763	-24.0%	1997:2	1.053	-5.0%
1986:3	0.718	-28.7%	1997:3	1.067	-0.2%
1986:4	0.690	-30.4%	1997:4	1.040	-2.6%
1987:1	0.750	-17.4%	1998:1	0.937	-12.5%
1987:2	0.794	4.0%	1998:2	0.932	-11.5%
1987:3	0.835	16.2%	1998:3	0.913	-14.5%
1987:4	0.827	19.7%	1998:4	0.884	-15.0%
1988:1	0.783	4.4%	1999:1	0.845	-9.8%
1988:2	0.806	1.6%	1998:2	0.999	7.2%
1988:3	0.832	-0.3%	1999:3	1.063	16.4%
1988:4	0.811	-1.9%	1999:4	1.099	24.3%
1989:1	0.803	2.5%	2000:1	1.200	42.1%
1989:2	0.950	17.9%	2000:2	1.313	31.4%
1989:3	0.915	10.0%	2000:3	1.325	24.7%
1989:4	0.871	7.4%	2000:4	1.305	18.8%
1990:1	0.900	12.1%	2001:1	1.253	4.4%
1990:2	0.927	-2.5%	2001:2	1.400	6.7%
1990:3	1.031	12.7%	2001:3	1.256	-5.2%
1990:4	1.182	35.7%	2001:4	1.049	-19.6%
1991:1	1.005	11.7%	2002:1	1.006	-19.7%
1991:2	0.989	6.7%	2002:2	1.204	-14.0%
1991:3	0.991	-3.9%	2002:3	1.208	-3.8%
1991:4	0.985	-16.7%	2002:4	1.223	16.5%
1992:1	0.934	-7.1%	2003:1	1.376	36.7%
1992:2	0.991	0.2%	2003:2	1.333	10.8%
1992:3	1.022	3.1%	2003:3	1.383	14.5%
1992:4	1.013	2.8%	2003:4	1.313	7.4%
1993:1	0.978	4.7%	2004:1	1.428	3.8%
1993:2	0.991	0.1%	2004:2	1.659	24.5%
1993:3	0.969	-5.1%	2004:3	1.621	17.2%
1993:4	0.971	-4.1%	2004:4	1.679	27.9%
1994:1	0.926	-5.3%	2005:1	1.647	15.3%
1994:2	0.959	-3.2%	2005:2	1.883	13.5%
1994:3	1.027	5.9%	2005:3	2.189	35.1%
1994:4	1.015	4.6%	2005:4	2.069	23.3%
1995:1	0.978	5.6%	2006:1	2.000	21.4%
1995:2	1.033	7.6%	2006:2	2.438	29.5%
1995:3	1.015	-1.2%	2006:3	2.423	10.7%
1995:4	0.967	-4.8%	2006:4	1.937	-6.4%
1996:1	0.990	1.3%	2007:1	2.022	1.1%
1996:2	1.108	7.3%	2007:2	2.555	4.8%
1996:3	1.069	5.3%	2007:3	2.423	0.0%

NORTH CAROLINA
 REVIEW OF BODILY INJURY INCREASED LIMITS

Voluntary and Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a) (b)	595,341,154	577,570,259	554,842,156	1,727,753,569
(2) Basic limits loss dev. factor (See page D-14)	1.016	1.050	1.121	
(3) Basic limits claim cost trend (See page D-8)	5.0%	5.0%	5.0%	
(4) Years of trend (See page C-2)	5.03	4.03	3.03	
(5) Basic limits trend factor [1+(3)]^(4)	1.278	1.217	1.159	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	773,019,531	738,048,155	720,872,568	2,231,940,254
(7) Total limits losses (b)	724,936,618	690,816,020	652,602,054	2,068,354,692
(8) Total limits loss dev. factor (See page H-528)	1.017	1.066	1.175	
(9) Total limits claim cost trend (See page D-8)	6.0%	6.0%	6.0%	
(10) Years of trend (See page C-2)	5.03	4.03	3.03	
(11) Total limits trend factor [1+(9)]^(10)	1.341	1.265	1.193	
(12) Total limits losses, trended and developed (7)x(8)x(11)	988,666,385	931,558,495	914,801,244	2,835,026,124
(13) Indicated average if (12)/(6)	1.279	1.262	1.269	1.270
(14) Average increased limits factor (See page G-4)	1.194	1.197	1.202	1.198 (c)
(15) Indicated change to excess limits increments {[(13)-1]/[(14)-1]}-1				36.4%
(16) Indicated total limits change {(13)/(14)}-1				6.0%

- (a) Basic limits are 30/60.
- (b) Based on the statistical plan data reported by member companies.
- (c) Three Year Average

NORTH CAROLINA
REVIEW OF PROPERTY DAMAGE INCREASED LIMITS

Voluntary and Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a) (b)	559,572,995	568,284,887	583,393,339	1,711,251,221
(2) Basic limits loss dev. factor (See page D-15)	1.001	1.009	1.029	
(3) Basic limits losses, developed (1)x(2)	560,132,568	573,399,451	600,311,746	1,733,843,765
(4) Total limits losses (b)	563,090,152	572,325,437	587,544,521	1,722,960,110
(5) Total limits loss dev. factor (See page H-529)	1.001	1.008	1.027	
(6) Total limits losses, developed (4)x(5)	563,653,242	576,904,040	603,408,223	1,743,965,505
(7) Indicated average increased limits factor (6) / (3)	1.006	1.006	1.005	1.006
(8) Average increased limits factor (See page G-5)	1.010	1.010	1.011	1.010 (c)
(9) Indicated change to excess limits increments {[(7)-1]/[(8)-1]}-1				-40.0%
(10) Indicated total limits change {(7)/(8)}-1				-0.4%

(a) Basic limits are \$25,000.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

Exhibit C

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					35,559,090
1994				34,833,162	33,870,375
1995			40,854,300	40,454,519	40,244,972
1996		41,632,388	42,233,897	42,138,160	41,897,880
1997	37,442,193	41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	50,666,563
2003	42,683,852	48,534,844	50,786,129	52,305,914	
2004	44,012,059	48,971,187	51,836,511		
2005	43,302,325	49,506,298			
2006	46,363,207				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.972
1995			0.990	0.995
1996		1.014	0.998	0.994
1997	1.108	1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	1.009
2003	1.137	1.046	1.030	
2004	1.113	1.059		
2005	1.143			
Five Year Average	1.149	1.049	1.020	0.997
Three Year Average	1.131	1.055	1.015	0.999
		Five Year	Three Year	
39 to 63 months:		1.017	1.014	
27 to 63 months:		1.067	1.070	
15 to 63 months:		1.226	1.210	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Exhibit C

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996					
1997				10,203,061	10,076,383
1998		11,394,293	11,008,017	10,743,091	10,651,143
1999	12,646,423	11,537,251	11,114,149	11,012,708	10,944,152
2000	12,388,721	12,006,427	11,423,295	11,369,299	11,482,883
2001	11,822,624	11,591,092	11,819,962	11,638,277	11,537,925
2002	12,833,292	12,129,687	11,354,463	11,189,105	11,098,552
2003	12,994,158	12,324,915	11,933,562	11,679,374	11,680,654
2004	12,196,649	12,034,219	11,581,589	11,810,327	
2005	12,810,536	11,458,158	12,700,498		
2006	11,779,484				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.988
1997			0.976	0.991
1998		0.975	0.991	0.994
1999	0.912	0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	1.000
2003	0.948	0.976	0.981	
2004	0.950	0.989		
2005	0.991			
Five Year Average	0.963	0.983	0.985	0.997
Three Year Average	0.963	0.983	0.982	0.994
		Five Year	Three Year	
39 to 63 months:		0.982	0.976	
27 to 63 months:		0.965	0.959	
15 to 63 months:		0.929	0.924	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					44,164,098
1994				42,577,301	41,679,804
1995			37,157,691	38,600,050	39,545,528
1996		34,639,477	41,906,510	45,507,696	45,933,358
1997	20,039,109	31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	52,109,200
2003	24,095,268	44,137,295	49,768,667	53,408,780	
2004	33,532,085	53,425,768	61,714,574		
2005	32,329,148	51,262,138			
2006	37,987,530				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.979
1995			1.039	1.024
1996		1.210	1.086	1.009
1997	1.558	1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	1.000
2003	1.832	1.128	1.073	
2004	1.593	1.155		
2005	1.586			
Five Year Average	1.650	1.195	1.079	1.014
Three Year Average	1.670	1.176	1.077	1.008
		Five Year	Three Year	
39 to 63 months:		1.094	1.086	
27 to 63 months:		1.307	1.277	
15 to 63 months:		2.157	2.133	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Exhibit C

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Basic Limits (a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					26,708,512
1994					
1995				28,457,306	27,736,873
1996			31,438,075	31,439,072	31,176,700
1997	33,248,776	32,393,057	32,492,388	32,306,324	31,794,036
1998	31,585,724	34,066,749	35,901,298	36,875,978	36,519,975
1999	29,239,280	32,978,345	34,181,670	33,882,419	33,680,968
2000	31,236,093	32,637,501	33,190,330	33,444,514	33,492,209
2001	31,401,868	32,637,501	33,073,301	33,677,305	33,379,655
2002	32,704,663	33,755,318	35,021,950	35,507,827	35,426,244
2003	32,704,663	37,596,181	39,565,990	39,583,086	39,653,863
2004	35,307,464	39,489,354	40,993,396	41,853,946	
2005	34,894,192	37,454,484	39,846,551		
2006	35,135,790	39,433,924			
2006	37,169,628				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.975
1995				0.992
1996		1.003	0.994	0.984
1997	1.060	1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	1.002
2003	1.118	1.038	1.021	
2004	1.073	1.064		
2005	1.122			
Five Year Average	1.108	1.041	1.012	0.997
Three Year Average	1.104	1.051	1.012	0.997
		Five Year	Three Year	
39 to 63 months:		1.009	1.009	
27 to 63 months:		1.050	1.060	
15 to 63 months:		1.163	1.170	

(a) Losses are on a 30/60 level for 2002-2006.
 Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

Exhibit C

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					
1994					
1995					
1996					
1997				10,190,734	10,047,584
1998			10,938,146	10,658,220	10,566,331
1999	12,485,180	11,271,321	10,965,606	10,864,638	10,831,683
2000	12,175,598	11,385,922	11,252,921	11,143,920	11,257,504
2001	11,522,357	11,758,667	11,563,960	11,413,456	11,324,557
2002	11,260,876	11,995,876	11,051,061	10,921,388	10,833,455
2003	12,734,308	12,177,961	11,782,745	11,588,557	11,589,837
2004	12,929,486	11,227,531	11,919,457	11,701,679	
2005	11,802,989	11,786,546	11,105,182		
2006	12,302,623	11,776,886			

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				
1995				
1996				0.986
1997			0.974	0.991
1998		0.973	0.991	0.997
1999	0.912	0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	1.000
2003	0.942	0.979	0.982	
2004	0.951	0.989		
2005	0.958			
Five Year Average	0.954	0.983	0.986	0.998
Three Year Average	0.950	0.983	0.985	0.995
		Five Year	Three Year	
39 to 63 months:		0.984	0.980	
27 to 63 months:		0.967	0.963	
15 to 63 months:		0.923	0.915	

(a) Losses are on a \$25,000 level for 2002-2006.
 Losses are on a \$15,000 level for 1996-2001.

Losses exclude unallocated loss adjustment expense.



north carolina
RATE BUREAU
INSURANCE FACILITY

INSURANCE GUARANTY ASSOCIATION

DRAFT

MINUTES OF THE TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE HELD ON
JANUARY 11, 2008

Members Present

Allstate Insurance Company
GEICO Indemnity Company
Hartford Fire Insurance Company
Integon Indemnity Corporation
Nationwide Insurance Company

N.C. Farm Bureau Mutual Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers
United Services Automobile Association

Others Present

Epic Consulting
Millenium
Insurance Service Office

Young, Moore & Henderson

Staff

Represented By

Steve Armstrong
A.J. Zuvich
John Krause
Art Lyon
Daniel Myers*
Isaac Adams
Roger Batdorff
Steve Harr
Randy Krauss
Lisa Sukow

Represented By

Mike Miller
Dave Appel
Pat Woods
Dave DeNicola

Mickey Spivey
Mike Strickland

Tim Lucas
Wayne Hinton
Ray Evans
Sue Taylor
Edith Davis

* participated in a portion of the meeting.

The telephone conference convened as scheduled, Mr. Armstrong presiding.

Attention was directed to the Anti-Trust Guidelines and the Conflict of Interest Statement.

1. Report of Counsel

Mr. Strickland reported (1) that a Legislative Study Commission has been formed and the first meeting is scheduled for Wednesday, January 16, 2008; (2) that the Study Commission is to study automobile insurance modernization which will include any topic the Commission deems appropriate; and (3) that he, Ms. Davis and Mr. Evans met with representatives of the Department of Insurance (Department) regarding an audit of the Reinsurance Facility and that the target of the audit would be the expense allowances of the Reinsurance Facility.

2. Report of Staff

Mr. Lucas stated that the Personal Auto Policy program revisions were filed in November, 2007 and that the Department has questioned one of the changes included in the filing. There was a question raised about coordinating the Personal Auto Policy revisions with the proposed upcoming rate revision in October and after a brief discussion it was agreed not to revise the filed effective date.

3. 2008 Private Passenger Automobile Rate Level Review

Mr. Armstrong reviewed the list of the outstanding issues to be discussed. Mr. DeNicola reviewed the exhibits that were distributed in advance. The UM and UIM trend data were reviewed and discussed, and consensus loss trend selections were made for these coverages. Loss development for UM and UIM was also discussed, and it was agreed to continue the use of five-year averages for these coverages.

Attention was directed to the CPI Gasoline Index and Mr. DeNicola noted that two additional quarters of data were included, as compared to what the Committee had seen at its December meeting. The Committee agreed that the additional gas price data does not require any adjustment to their trend selections.

The Committee discussed bodily injury and property damage increased limits factors and the fact that we have not revised these factors the last two years. Mr. DeNicola reported that, based on the usual analysis, the BI and PD increased limits indications were 6.0% and -0.4% respectively, and he noted that one of the questions for the Committee was whether to update the increased limits tables or to roll these indications into the basic limits rates. The Committee requested Mr. DeNicola to prepare an analysis of updating the tables and report back at the next meeting.

Attention was directed to the reserve strengthening and expense savings letters which are prepared by the member companies in response to the regulations applicable to rate filings. The Committee reviewed the letters and the consensus was that no adjustments to the data or selections were needed. The reserve changes described in Progressive's letter were specifically discussed and, after discussion of the minimal impact reported by the company and the company's market share, it was agreed that the impact on the North Carolina aggregate data was immaterial. The Committee reviewed the expenses and asked Mr. DeNicola to send out a final summary of the expense provisions prior to the next meeting.

Mr. Miller led a further discussion of the contingency provision. Following discussion it was agreed to continue to select a provision of zero.

Mr. Miller led a discussion of the consideration of deviations, both downward and upward, from manual rates. He indicated that the revenue balance analysis considers the revenue anticipated in the total auto market and noted that if the upward and downward deviations do not balance then an off-balance factor could be applied to the base rates. Mr. Miller described the exhibits that had been looked at in the past and some refinements that were being considered this year. It was agreed that Mr. Miller would prepare an exhibit for review during the next telephone conference.

The Committee agreed to hold another telephone conference on Wednesday, January 16, 2008 at 9:00 A.M. eastern.

4. Adjournment

There being no further business, the meeting was adjourned.

WBH:dms
AC-08-3
2/1/08

Respectfully Submitted,

Wayne B. Hinton
Automobile Manager

MEMBERS PARTICIPATING IN THE JANUARY 16, 2008
TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE

Automobile Committee Members Participating

Allstate Insurance Company

Steve Armstrong - Senior Actuary

GEICO Indemnity Company

A. J. Zuvich - GEICO Direct Military Center Manager

Hartford Fire Insurance Company

John Krauss - ACAS

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Liberty Mutual Insurance Company

John Ittner - Director of State Operations

Lumbermens Mutual Casualty Company

Amy Brown - Regional Product Manager

Nationwide Mutual Insurance Company

Dan Meyers - Associate Actuary

N. C. Farm Bureau Mutual Insurance Company

Roger Batdorff - Sr. Executive - Actuarial Research &
Financial/Investments

Progressive Casualty Insurance Company

Kate Terry - North Carolina Product Manager

State Farm Mutual Automobile Insurance Company

Steve Harr, Pricing Director

Travelers Indemnity Company

Randy Krauss - Director B - Personal Lines

United Services Automobile Association

Jonathan Ellingson - USAA Director

Others Participating

Insurance Services Office

Dave DeNicola - Sr. Actuarial Associate

Pat Woods - Assistant Vice President

Milliman, USA

Dave Appel, Ph.D - Director, Economics Consulting

Epic Consulting

Mike Miller - Principal & Consulting Actuary

Young, Moore & Henderson

Mickey Spivey - NCRB Counsel

Mike Strickland - NCRB Counsel

North Carolina Rate Bureau

Edith Davis - Director, Reinsurance Facility

Ray Evans - General Manager

Wayne Hinton - Automobile Manager

Tim Lucas - Personal Lines Manager



north carolina
RATE BUREAU

REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

DRAFT

MINUTES OF THE TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE
HELD ON JANUARY 16, 2008

MEMBERS PRESENT

Allstate Insurance Company
GEICO Indemnity Company
Integon Indemnity Corporation
Liberty Mutual Insurance Company
Lumbermens Mutual Casualty Company
Nationwide Insurance Company
N.C. Farm Bureau Mutual Insurance Company
Progressive Casualty Insurance Company
State Farm Mutual Automobile Insurance Co
The Travelers
United Services Automobile Association

REPRESENTED BY

Steve Armstrong*
A.J. Zuvich
Art Lyon
John Ittner
Amy Brown
Daniel Myers
Roger Batdorff
Kate Terry
Steve Harr
Randy Krauss
Jonathan Ellingson

OTHERS PRESENT

Epic Consulting
Milliman
Insurance Services Office

Young, Moore & Henderson

Staff

REPRESENTED BY

Mike Miller*
Dave Appel
Pat Woods
Dave DeNicola

Mickey Spivey
Mike Strickland

Tim Lucas
Wayne Hinton
Ray Evans
Edith Davis

* participated in a portion of the meeting

The telephone conference convened as scheduled, Mr. Armstrong presiding.

Attention was directed to the Anti-Trust Guidelines and the Conflict of Interest Statement.

1. **Report of Counsel**

Mr. Strickland stated (1) that the Rate Bureau and Reinsurance Facility have been asked to make a presentation for the inaugural session of the Joint Legislative Study Committee; (2) that Staff and Counsel are preparing a presentation; and (3) that the Department of Insurance would also be giving a presentation.

2. **2008 Private Passenger Automobile Rate Level Review**

Attention was directed to the exhibits prepared by Insurance Services Office. Mr. DeNicola reviewed the individual coverage indications and explained the calculations. Mr. DeNicola also reviewed the analysis of the possible updates to the increased limits tables. The Committee discussed the exhibits and agreed to revise the increased limits factors for bodily injury and property damage.

Mr. Woods and Mr. Miller reviewed the exhibit on revenue balancing. Mr. Miller explained that the deviation factors were averages of the upward and downward deviations over the most recent six years and that the clean risk recoupment factor was based on the latest clean risk shortfall, and he stated that he believed these to be the best estimates for the period during which the proposed rates would be in effect. The analysis and the results of the analysis were discussed, and it was agreed that no off-balance should be applied to the base rates.

Counsel reported on the details of the latest seatbelt law change, which requires passengers in the backseat to wear a seatbelt. The Committee concluded that this change in the seatbelt law does not require any adjustment to the indications at this time.

Mr. DeNicola described the UIM indications resulting from the experience review, and he reviewed the history of experience reviews and the use of a pricing algorithm. Following discussion, the Committee agreed to proceed with the use of the experience review for the UIM indications.

Mr. DeNicola described the rate level indications for motorcycle liability insurance. He reminded the Committee that the loss ratio method is still used for motorcycles because we use data from the expense call and

MEMBERS PRESENT DURING THE JANUARY 17, 2008
MEETING OF THE GOVERNING COMMITTEE

Governing Committee Members Present

Allstate Insurance Company

Steve Armstrong - Senior Actuary*
Bob Blystone - Controller - S.E. Region

American Home Assurance Company

Ira Feuerlicht - Assistant Vice President

Erie Insurance Exchange

Ronnie Chamberlain - Vice President - Raleigh Branch*

Hartford Fire Insurance Company

Andrew Brown - Product Manager NC & SC

Nationwide Mutual Insurance Company

Amy Powell - Underwriting Product Director

N. C. Farm Bureau Mutual Insurance Company

Roger Batdorff - Sr. Executive - Actuarial Research & Financial/Investments

Progressive Casualty Company

Kate Terry - N. C. Product Manager**

State Automobile Insurance Company

Larry Wilson - VP Industry Affairs*

State Farm Mutual Automobile Insurance Company

Alan Bentley - Product Manager

Travelers Indemnity Company

Randy Krauss - Director B - Personal Lines*

United Services Automobile Association

Eric Vaith, AVP, Property Pricing

Others Present

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Insurance Services Office

Pat Woods - Assistant Vice President**

Young, Moore & Henderson

Mickey Spivey - NCRB Counsel
Mike Strickland - NCRB Counsel

North Carolina Rate Bureau

Edith Davis - Director, Reinsurance Facility
Ray Evans - General Manager
Wayne Hinton - Automobile Manager
Tim Lucas - Personal Lines Manager
Dave Sink - Director, Finance
Sue Taylor - Director, Insurance Operations

*Participated Via Teleconference

**Attended Part of the Meeting

**NORTH CAROLINA RATE BUREAU
GOVERNING COMMITTEE MEETING**

JANUARY 17, 2008

AGENDA

1. Welcome
2. Roll Call
3. Anti-trust and Conflict of Interest Statements
4. Report of Counsel
5. Report of Staff
 - a. Overall Update on NCRB
 - b. Personal Lines
 - c. Workers Compensation
6. Report of Committees
 - a. Property Committee
 - b. Auto Committee – discussion of upcoming auto filing
7. Appeal of Workers Compensation Class Code
8. Insurance Data Collection System
9. Other Business
10. Adjournment

The meeting will commence at 10:00 am at the offices of the North Carolina Rate Bureau, 5401 Six Forks Road, Raleigh, NC. Lunch will be served.

Pages H-653 through H-656 reserved for meeting minutes.

With regard to the information requested under Item (14) (c) the Rate Bureau submits the following:

February 1, 2007 Rate Review

Insurance Services Office: ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings or reviews. The assessment covers all services provided by ISO to the Rate Bureau with respect to automobile insurance, including services for developing rates and preparing the filing. The assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the costs of each insurance line and service by the premium volume of all insurers affiliated with ISO for each respective line and service. During 2007 ISO has billed the Rate Bureau \$2,916,756 for charges relating to automobile insurance services.

Young, Moore, and Henderson, P.A.: The firm has billed the Rate Bureau approximately \$38,406 for services (fees) rendered in connection with the 2007 private passenger automobile insurance rate review.

Milliman Inc.: The firm has billed the Rate Bureau approximately \$12,929 for services rendered in connection with the 2007 private passenger automobile insurance rate review.

EPIC Consulting, LLC: The firm has billed the Rate Bureau approximately \$17,405 for services rendered in connection with the 2007 private passenger automobile rate review.

Financial Strategy Associates: The firm has billed the Rate Bureau approximately \$7,225 for its services rendered in connection with the 2007 private passenger automobile insurance rate review.

February 1, 2008 Rate Filing

Insurance Services Office: ISO has advised the Rate Bureau that the ISO assessment is not directly made for specific rate filings or reviews. The assessment covers all services provided by ISO to the Rate Bureau with respect to automobile insurance, including services for developing rates and preparing the filing. The assessment is based on North Carolina premium volume multiplied by countrywide assessment factors. These factors are developed by dividing the costs of each insurance line and service by the premium volume of all insurers affiliated with ISO for each respective line and service. At the time of the preparation of this filing, ISO has not billed the Rate Bureau for charges relating to automobile insurance services.

Young, Moore, and Henderson, P.A.: At the time of the preparation of this filing, the firm has billed the Rate Bureau approximately \$15,548 for services (fees) rendered in connection with the 2008 private passenger automobile insurance rate filing.

Epic Consulting, LLC: At the time of the preparation of this filing, the firm has not yet billed the Rate Bureau for its services rendered in connection with the 2008 private passenger automobile insurance rate filing.

Milliman Inc.: At the time of the preparation of this filing, the firm has not yet billed the Rate Bureau for its services rendered in connection with the 2008 private passenger automobile insurance rate filing.

Financial Strategy Associates: The firm has billed the Rate Bureau approximately \$6,375 for services rendered in connection with the 2008 private passenger automobile rate filing.

The following changes in methodology from those used in the February 1, 2006 filing have been incorporated into this filing:

- Used Uninsured Motorists Property Damage loss and claim development factors in the development of ultimate UM PD losses and claims. Previously, Property Damage Liability factors were utilized for development of losses and claims for UM PD coverage

See also the prefiled testimony of P. Woods and M. Miller.

INSURANCE SERVICES OFFICE, INC.
NORTH CAROLINA RATE BUREAU

NOTICE TO MANUALHOLDERS

PERSONAL AUTO MANUAL – NORTH CAROLINA
NOTICE 2008-004

CAUTION

Manualholders should determine from company instructions whether a company has adopted this revision.

INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

EFFECTIVE DATE

This revision is applicable to all new and renewal policies effective on or after February 1, 2008.

CHANGE(S)

This Notice introduces a revision to the inexperienced operator rule in the North Carolina Personal Auto Manual. The revised rule is intended to provide companies more flexibility in determining the number of years driving experience. Currently, there are approximately 35 states in the United States that do not track the date a driver was originally licensed. They only track the latest renewal driver's license. This revision is intended to provide companies the ability to rely on additional information provided by the insured to determine the number of years driving experience.

The revised rule also introduces an exception for active military personnel. A number of states grant military extensions to active military personnel which means that the individual is not required to return to their home state to renew their driver's license as long as they are active in the military. In some cases, the states "purge" their motor vehicle records (MVR) if there has been no activity within a certain number of years. When a company orders an MVR from that state a "no hit" is returned because the record has been "purged". If this occurs, the exception in the revised manual rule allows the company to rely on additional documentation provided by the applicant.

The revised rule requires the company to maintain the additional information provided by the insured for at least three years.

REVISED PAGE(S)

NC-GR-3 thru NC-GR-7

PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- A-07-3 (11/26/2007) NCRB Circular Letter

MANUAL DISTRIBUTION NOTICE

We want to know:

- If this mailing was **not** properly addressed.
- If you have **not** received the correct quantity.
- If you wish to **change** the quantity you are now receiving.

Company Personnel:

- Contact your company manual coordinator at your home office.

Producers:

- Contact:

**Customer Service
Insurance Services Office, Inc.
545 Washington Boulevard
Jersey City, New Jersey 07310-1686
800-888-4476
www.iso.com**

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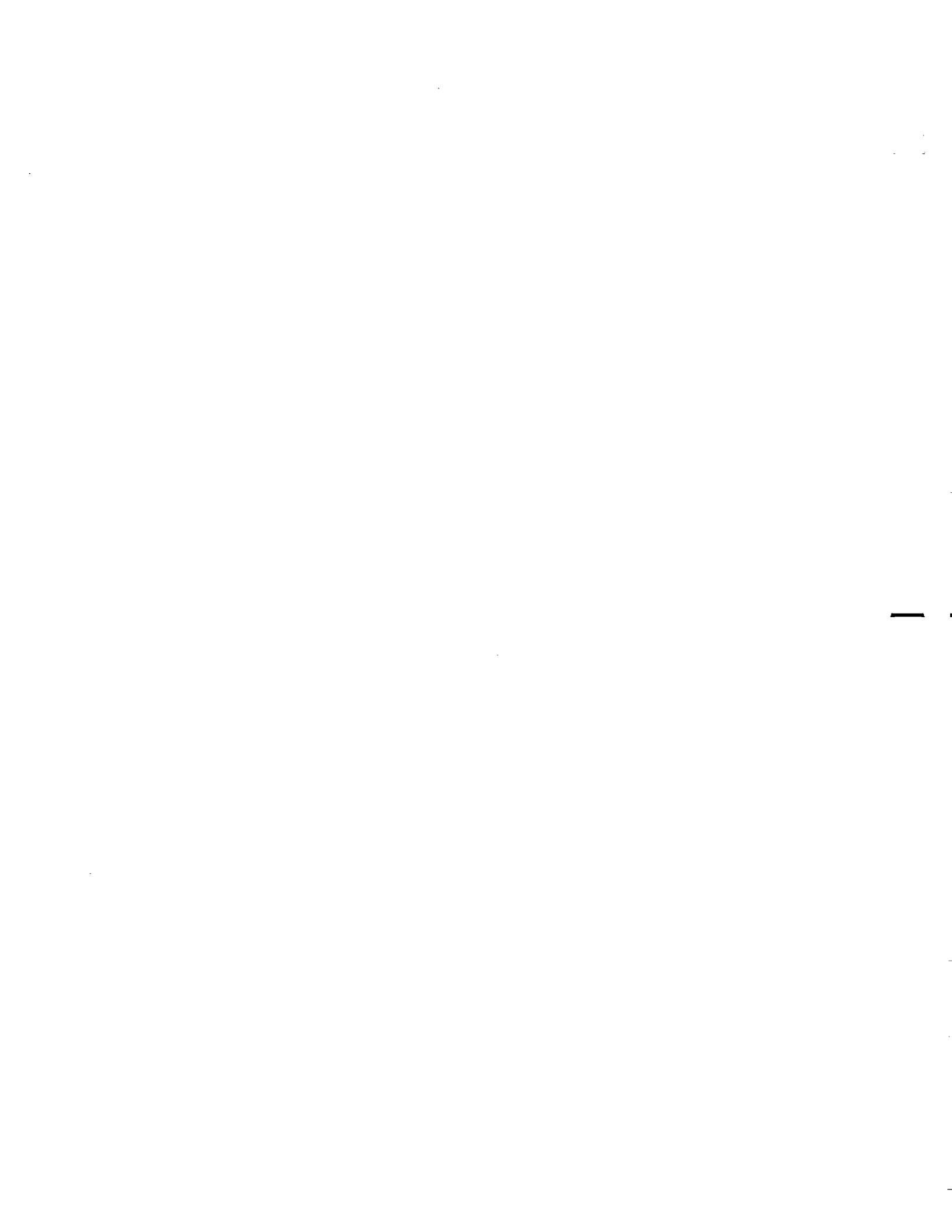
**PERSONAL AUTO MANUAL
PAGE CHECKLIST – NORTH CAROLINA**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST STATE PAGE INFORMATION AS OF 2-08.
NO MULTISTATE APPLIES

NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT CUSTOMER SERVICE FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

PAGE NUMBER	EDITION		PAGE NUMBER	EDITION	
	NUMBER	DATE		NUMBER	DATE
Notice No. 2008-004	-	2-08	NC-GR-21	12th	7-03
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			NC-GR-23	20th	5-06
			NC-GR-24	21st	11-06
			NC-GR-25	18th	11-06
			NC-GR-26	6th	5-06
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			NC-GR-30	7th	5-06
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NORTH CAROLINA
PERSONAL AUTO MANUAL
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3. PREMIUM DETERMINATION
4. CLASSIFICATIONS
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6. MODEL YEAR FOR FIRE, THEFT, COMBINED ADDITIONAL COVERAGE, COMPREHENSIVE AND COLLISION COVERAGES
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PERSONAL AUTO MANUAL
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NORTH CAROLINA STATISTICAL
CODING SHEET

PRIMARY CLASSIFICATION CODES*

No Inexperienced Operators

Vehicle Use	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Pleasure	1141	1142
Work – Less Than 10	1161	1162
Work – 10 or More	1171	1172
Business	1181	1182
Farm	1191	1192

Inexperienced Operators

Years of Driving Experience	Vehicle Use	Principal Operator		Occasional Operator	
		Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Less Than 1 Year	Pleasure	1241	1242	1341	1342
	Work – Less Than 10	1261	1262	1361	1362
	Work – 10 or More	1271	1272	1371	1372
	Business	1281	1282	1381	1382
	Farm	1291	1292	1391	1392
Less Than 2 Year	Pleasure	1441	1442	1541	1542
	Work – Less Than 10	1461	1462	1561	1562
	Work – 10 or More	1471	1472	1571	1572
	Business	1481	1482	1581	1582
	Farm	1491	1492	1591	1592
Less Than 3 Years	Pleasure	1641	1642	1741	1742
	Work – Less Than 10	1661	1662	1761	1762
	Work – 10 or More	1671	1672	1771	1772
	Business	1681	1682	1781	1782
	Farm	1691	1692	1791	1792

* Each code must have as the fifth and sixth digits the applicable Safe Driver Insurance Plan code. For complete coding requirements, refer to the Statistical Plan.

1. DEFINITIONS

- A. 1. A private passenger auto is a four wheel motor vehicle, other than a truck type or van, owned or leased under contract for a continuous period of at least six months, and
- a. Not used as a public or livery conveyance for passengers.
 - b. Not rented to others.
2. A motor vehicle that is a pickup truck or van shall be considered a private passenger auto, if it:
- a. Is owned by an individual or by a husband and wife or individuals who are residents of the same household,
 - b. Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - c. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching.
- A pickup truck or van used in the business of the United States Government, by an employee of the Government, shall be considered a private passenger auto only if:
- a. It meets the conditions in a., b. and c. above; and
 - b. Coverage is limited in accordance with the federal employees using autos in government business endorsement.
3. A motor vehicle owned by a farm family co-partnership, or farm family corporation shall be considered a private passenger auto owned by an individual, if:
- a. It is principally garaged on a farm or ranch, and
 - b. It otherwise meets the definitions in Paragraphs 1. and 2. above.
- B. AUTO as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto.
- C. LIABILITY as used in this manual refers only to Bodily Injury and Property Damage Coverages.
- D. COMPREHENSIVE COVERAGE as used in this manual refers to other than collision damage to a motor vehicle.
- E. OWNED as used in this manual includes an auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the applicable endorsement.
- F. REFER TO COMPANY means that North Carolina Risks shall be referred by the company to the North Carolina Rate Bureau.

2. PERSONAL AUTO POLICY – ELIGIBILITY

- A. A Personal Auto Policy shall be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule 1., if:
- 1. They are written on a specified auto basis, and
 - 2. They are owned by an individual or by a husband and wife who are residents in the same household.
- B. A Personal Auto Policy shall be used to afford coverage to private passenger autos that are owned jointly by two or more individuals other than husband and wife, if:
- 1. They are written on a specified auto basis, and
 - 2. Coverage is limited in accordance with the applicable endorsement.
- C. A Personal Auto Policy shall be used to afford coverage to motorcycles, golfcarts or other similar type vehicles and snowmobiles not used for commercial purposes, if:
- 1. They are written on a specified vehicle basis, and
 - 2. Coverage is limited in accordance with the applicable endorsement.
- D. A Personal Auto Policy shall be used to afford coverage to a named individual who does not own an auto. The applicable endorsement must be attached.
- E. A Personal Auto Policy shall be used to afford coverage to private passenger autos not owned by a natural person and not rated as part of a fleet. The applicable endorsement must be attached.
- F. A Personal Auto Policy may be used to afford coverage to five or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household if the autos are not used for business use, other than farming or ranching.

Exceptions

Exposures in A., B., C., or E. above may be written under a commercial auto policy when combined with a commercial risk.

Exposures in F. above may be written under a commercial auto policy.

3. PREMIUM DETERMINATION

- A. For 1971-1982 model year sports cars identified in the Symbol Section as "s", the applicable symbol shall be one less than that shown.
- B. Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision premiums are determined as follows:

3. PREMIUM DETERMINATION (Cont'd)

1. Refer to the Classification Rule to determine the applicable Primary Classification, Rating Factor and the Single or Multi-Car and Inexperienced Operator Rating Factor and Statistical Codes.

Add these rating factors to determine the Combined Rating Factor applicable to each auto.

2. Refer to the Safe Driver Insurance Plan Rule to determine the Driving Record Surcharge Premium applicable to each coverage for each auto.

For autos not eligible for SDIP:

Add +0.10 to the Combined Rating Factor determined above.

Use statistical code 95.

3. Model Year and Symbol Determination

- a. Refer to the Model Year Rule and Symbol and Identification Section for the appropriate model year and symbol.

If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

- b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol.

- (1) If the S&I Section displays a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.

- (2) If the S&I Section does NOT display a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

4. Refer to Territory Definitions to determine the territorial schedule code number for the location where the auto is principally garaged.
5. Refer to the state rate pages to determine base rates for the desired coverage for the appropriate territory.

Note

Clean Risks Ceded to the North Carolina Reinsurance Facility (Statistical Code 02).

The rates charged for "clean risks" ceded to the North Carolina Reinsurance Facility shall not exceed the rates charged "clean risks" not ceded to the Reinsurance Facility. The rates for "clean risks" ceded to the North Carolina Reinsurance Facility are set forth on the state rate page showing rates for Voluntary Business and "Clean Risks" Ceded to the North Carolina Reinsurance Facility.

For the purpose of this rule, a "clean risk" shall be any owner of a motor vehicle that is classified as a private passenger auto if the owner and the principal operator and each licensed operator in the owner's household:

- a. Have two years driving experience as a licensed driver, which experience is determined in the manner provided in Rule 4.G.1., and

- b. Have **not** been assigned any Safe Driver Insurance Plan points during the three year period immediately preceding the date of application for motor vehicle insurance or the date of preparation for a renewal motor vehicle insurance policy.

6. The premium for each coverage is determined by multiplying the base rate by the Combined Rating Factor, then adding the Driving Record Surcharge Premium applicable to the coverage for each auto.

4. CLASSIFICATIONS

The provisions of this rule apply separately to the premiums for Bodily Injury and Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

- A. Autos owned by an individual or owned jointly by two or more individuals are classified as follows:

Refer to Section C. below for definitions of terms used in this rule.

Code	Class	Definitions
114	1A	There is no BUSINESS USE of the auto and the auto is not DRIVEN TO OR FROM WORK OR SCHOOL.
116	1B	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of less than 10 road miles one way.
117	1C	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of 10 or more road miles one way.
118	3	The auto is used for BUSINESS USE.
119	1AF	The auto is a FARM AUTO.

- B. Private passenger autos owned by corporations, co-partnerships, or unincorporated associations shall be rated as Class 3.

4. CLASSIFICATIONS (Cont'd)**Exceptions**

1. For corporations, co-partnerships or unincorporated associations owning less than five motor vehicles:

An owned private passenger auto principally furnished to a specified individual shall be classified and rated as if owned by that individual, in accordance with Rule 4.A., provided the auto is not used for business purposes.

2. For Farm family co-partnerships or Farm family corporations:

An owned private passenger auto principally garaged on a farm or ranch shall be rated as Class 1AF provided the vehicle is:

- a. Not used in any occupation other than farming or ranching, or
- b. Not customarily used in going to or from work other than farming or ranching.

C. Definitions

1. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.
2. **FARM AUTO** means the auto is principally garaged on a farm or ranch, and
 - a. It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
 - b. It is not customarily used in any occupation other than farming or ranching.
3. **DRIVEN TO OR FROM WORK OR SCHOOL** means the auto is customarily used in the course of driving to or from work or school and shall include:
 - a. The use of the auto in a car pool or other share the ride arrangement.
 - b. Driving part way to or from work or school whether or not the auto is parked at a depot during the day.

Note

If an auto is driven to or from work or school on less than a daily basis, the classification used in rating the auto shall be subject to the following:

- (1) If otherwise in Class 1B, the auto shall be classified as 1A if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

- (2) If otherwise in Class 1C the auto shall be classified as 1B if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

Refer to company for certification form.

4. **RESIDENT** means anyone residing in the same household as the applicant and shall include an individual absent from the household while attending school. An individual in active military service with the armed forces of the United States of America shall **not** be included as resident in the same household unless such individual customarily operates the auto.

D. Single and Multi-Car Risks

The applicable Multi-Car Rating Factor shall apply if two or more four wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household are insured in the same policy.

Exception

If a company's procedure does not permit insuring all vehicles in the same policy, the applicable Multi-Car Rating Factor shall apply only if the company insures two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household.

This discount does not apply to antique autos as defined in the Miscellaneous Types Rule.

LIABILITY COVERAGES ONLY

- E. An auto subject to Class 3 rates because of use in the business of the United States Government by one of its employees may be classified and rated as Class 1A, 1B, or 1C when the applicable endorsement is used to limit coverage.

F. Inexperienced Operator**LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The appropriate Inexperienced Operator Surcharge shall be applied for each owner or resident operator of the auto who has less than three years driving experience as a licensed driver.
 - a. The insurer shall obtain a verifiable motor vehicle record on each owner or resident operator from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records and shall determine the number of years of driving experience as a licensed driver for each owner or resident operator of the auto from such motor vehicle records to the extent possible.

4. CLASSIFICATIONS (Cont'd)

b. If a verifiable motor vehicle record obtained by the insurer does not show conclusively the number of years of driving experience for each owner or resident operator of the auto, the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.

c. If a verifiable motor vehicle record cannot be obtained from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records, then the owner or resident operator shall be rated as inexperienced.

Exception: If the insurer is unable to obtain a verifiable motor vehicle record because such records are no longer available and the owner or resident operator has a drivers' license that continues to be valid by virtue of a military extension, then the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.

Insurers shall maintain in their files for at least three years from the inception of the policy the information upon which the number of years driving experience was determined.

Only driving experience in the United States of America, Canada or Puerto Rico may be used to determine the number of years of driving experience as a licensed driver.

The surcharge shall not be applied for more than three years regardless of policy term or effective date.

Note

A driver who holds a learner's permit only shall not be deemed a licensed driver for the purpose of determining the inexperienced operator premium surcharge.

2. If there are two or more autos in the same household as the applicant, the inexperienced operator rates shall be applied separately to the number of autos equal to the number of inexperienced operators. Inexperienced operator rates shall not be used in rating such autos in excess of the number of inexperienced operators.

The inexperienced operator surcharge(s) shall be applied to the auto(s) which the inexperienced operator principally operates. In the case of an occasional operator, the surcharge shall be applied to the auto most frequently operated by the inexperienced operator.

G. Airbag Discount

The following discounts apply to Medical Payments Coverage Only. To qualify, the private passenger auto must be equipped with a factory installed airbag(s) which conforms to the federal crash protection requirements, and meets the criteria of either Paragraph 1. or 2. below:

1. 20% discount shall be afforded when the airbag is installed in the driver-side-only position.
2. 30% discount shall be afforded when the airbags are installed in both front outboard seat positions.

H. Optional Rating Characteristics

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed classifications to determine rates by coverage, as long as applicable legal requirements are satisfied. The resulting premium by coverage shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor by coverage for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium by coverage does not exceed the Bureau premium by coverage.

1. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; number of drivers; number of vehicles; payment history; payment options; prior insurance; and new and renewal status.
2. Driver characteristics not otherwise recognized in this manual. Examples include: years of driving experience; convictions, accidents, claims or incidents; accident-free experience; accident forgiveness; annual mileage; cell phone type and usage; credit information; defensive driving course; good student; home ownership; marital status; and military status.
3. Vehicle characteristics not otherwise recognized in this manual. Examples include: airbags; customization; electronic monitoring or safety devices; engine characteristics; safety features or engineering; theft deterrence/recovery devices; place and type of garaging; type of fuel used; vehicle age, make, model and model year; and vehicle use.
4. Affinity group or other group not otherwise recognized in this manual.
5. Any other rating characteristic or combination of characteristics if filed by a company and approved by the Commissioner.

5. SAFE DRIVER INSURANCE PLAN (SDIP)

The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

A. Eligibility

The Plan shall be applied in rating all eligible autos.

An auto is eligible for rating under this Plan if it is owned by an individual or owned jointly by two or more individuals resident in the same household provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or
2. A motor vehicle that is a pickup truck or van, if it:
 - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - b. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

Exception

The SDIP applies to policies written for a term in excess of 12 months. Such policy must provide for an annual adjustment of premium.

B. Definitions

1. Driving Record Points

a. Convictions

Records of convictions for moving traffic violations to be considered under this Plan shall be obtained at least annually from the Division of Motor Vehicles for the applicant and any currently resident operator.

Points shall be assigned for convictions during the experience period for moving traffic violations of the applicant or any currently resident operator, based on date of conviction, as follows:

- (1) Twelve points shall be assigned for a conviction for:
 - (a) Manslaughter (or negligent homicide) resulting from the operation of a motor vehicle;
 - (b) Prearranged highway racing or knowingly lending a motor vehicle to be used in a prearranged highway race; or

- (c) Failing to stop and render aid when involved in an accident resulting in bodily injury or death (hit-and-run driving);
- (d) Impaired driving, including driving a vehicle while under the influence of an impairing substance; driving a vehicle with an alcohol concentration of 0.08 or more; and driving a commercial vehicle with an alcohol concentration of 0.04 or more; and

Note

There shall be no premium surcharge or assessment of points against an insured where (i) the insured's driver's license has been revoked under G.S.20-16.5; and (ii) the insured is subsequently acquitted of the offense involving impaired driving, as defined in G.S.20-4.01(24a), that is related to the revocation, or the charge for that offense is dismissed.

- (e) Transportation for the purpose of sale of illegal intoxicating liquors by motor vehicle.
- (2) Ten points shall be assigned for a conviction for:
 - (a) Highway racing or knowingly lending a motor vehicle to be used in a highway race; or
 - (b) Speeding to elude arrest.
- (3) Eight points shall be assigned for a conviction for:
 - (a) operating during a period of revocation or suspension of license or registration.
 - (b) aggressive driving.
- (4) Four points shall be assigned for a conviction for:
 - (a) Failing to stop and report when involved in a motor vehicle accident resulting in property damage only (hit-and-run-driving);
 - (b) Driving a motor vehicle in a reckless manner;
 - (c) Passing a stopped school bus;
 - (d) Speeding in excess of 75 miles per hour when the posted speed limit is less than 70 miles per hour;
 - (e) Speeding in excess of 80 miles per hour when the posted speed limit is 70 miles per hour or greater; or
 - (f) Driving by a person less than 21 years old after consuming alcohol or drugs.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

(5) Two points shall be assigned for a conviction for:

- (a) Illegal passing;
- (b) Speeding more than 10 miles per hour over the posted speed limit, provided the total speed was in excess of 55 miles per hour but less than 76 miles per hour;
- (c) Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of 55 miles per hour or greater;

Waiver

These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

- (d) Following too closely; or
 - (e) Driving on wrong side of road.
- (6) One point shall be assigned for a violation resulting in a conviction for speeding 10 miles per hour, or less, in excess of the posted speed limit of less than 55 miles per hour.

Waiver

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

Exceptions

This **WAIVER** does **NOT** apply to convictions of speeding in a school zone in excess of posted school zone speed.

- (7) With respect to any other conviction for a moving traffic violation, one point shall be assigned for each such conviction.

Exception

Convictions for the following shall not be regarded as moving traffic violations:

- (a) Inadequate muffler or excess escape of exhaust products;
- (b) Improper lights or other equipment except brakes;
- (c) Failure to sign or display registration card;
- (d) Failure to display license plates;
- (e) Failure to have in possession driver's license provided there is a valid one in existence; or
- (f) Failure to display current inspection certificate.

b. Accidents

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating a private passenger auto.

If an accident results both in bodily injury or death and in damage to property, points shall be assigned on the basis of the element of loss (bodily injury, death, or property damage) which generates the greatest number of points for the accident.

ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED BEFORE JANUARY 1, 2004

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,500 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
 - (i) Death or
 - (ii) Total bodily injury to all persons in excess of \$1,500.

ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED ON OR AFTER JANUARY 1, 2004

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,800 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
 - (i) Death or
 - (ii) Total bodily injury to all persons in excess of \$1,800.

Exception

If the insured furnishes adequate proof that incurred medical costs related to the accident were solely for diagnostic purposes and that the accident did not result in any bodily injury, no SDIP points for bodily injury will be assigned, or points for bodily injury assigned as a result of the accident will be removed as of the most recent policy effective date.

ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED BEFORE JANUARY 1, 2004

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$2,500 or more.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,500 but less than \$2,500.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,500 or less.

ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED ON OR AFTER JANUARY 1, 2004

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,000 or more.
- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,800 but less than \$3,000.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,800 or less.

Exception

No points are assigned for accidents occurring under the following circumstances:

- (a) Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
- (b) The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
- (c) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
- (d) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
- (e) Accidents involving damage by contact with animals or fowl; or
- (f) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects.

- (g) Accidents occurring as a result of the operation of a firefighting, rescue squad, or law enforcement vehicle in response to an emergency if the operator of the vehicle at the time of the accident was a paid or volunteer member of any fire department, rescue squad, or any law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to the emergency and the emergency ceases to exist.

Notes

- (1) For the purpose of this Plan a "conviction" shall mean a plea of guilty, or of nolo contendere or the determination of guilt by a jury or by a court though no sentence has been imposed (prayer for judgment continued) or, if imposed, has been suspended (unless it is the first prayer for judgment continued for all licensed operators in the household); and it includes a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated.
- (2) For the purpose of this Plan, a "moving traffic violation" shall include an infraction as described in **G.S. 14-3.1**.
- (3) The phrase "at-fault" means "negligent". No points shall be assigned for accidents when the operator of an insured vehicle is free of negligence.
- (4) References to other operators residing in the applicant's household shall also include a principal operator who is not a resident in the applicant's household.
- (5) In the event the applicant or any current resident operator has an at-fault accident and is convicted of a moving traffic violation in connection with the accident, only the higher surcharge points between the accident and the violation shall be assigned.
- (6) For accidents that occur on or after January 1, 1992, the One Point accident surcharge in Section **B.1.b.(3)** of this rule does not apply if both of the following conditions are met:
 - (a) The operator was not convicted of a moving traffic violation in connection with the accident; and

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

(b) The vehicle owner, principal operator, and all licensed operators in the owner's household have had no convictions for moving traffic violations and no other at-fault accidents during the three-year period immediately preceding the date of the application or the date of preparation of the renewal.

2. Experience Period

The experience period shall be the three years immediately preceding the date of application or the preparation of the renewal. SDIP points shall be applied to a policy for a period of not less nor more than three policy years.

C. Driving Record Sub-Classification

The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12 Or More	12
Not Eligible For Plan	NE

D. Driving Record Surcharge Premium

1. Single Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Multiply the base premium for each coverage applicable to the auto by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- c. The Driving Record Surcharge Premium for each coverage of the auto equals the SDIP Surcharge for that coverage.
- d. Add the applicable Driving Record Surcharge Premium for each coverage to the otherwise applicable premium for each coverage of the auto.

2. Multi-Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Select the auto with the highest Total Base Premium for all coverages combined.

TOTAL BASE PREMIUM is the sum of the base premiums for Bodily Injury and Property Damage Liability, Medical Payments, Comprehensive (or Fire, Theft and Combined Additional Coverage) and Collision coverages that apply to the auto.

- c. For each coverage applicable to the auto with the highest Total Base Premium for all coverages combined.

Multiply the base premium for each coverage by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.

- d. The Driving Record Surcharge Premium is determined separately by coverage for each auto that is insured for that coverage and eligible for SDIP rating.

(1) Determine the number of eligible autos insured for each coverage.

(2) The Driving Record Surcharge Premium for each coverage of each auto equals the SDIP Surcharge for that coverage divided by the number of eligible autos insured for that coverage.

(3) If the above calculation results in a fractional dollar amount for each auto then:

determine the remainder dollar amount and add it to the Driving Record Surcharge Premium for one of the insured autos and disregard the fractional dollar amounts.

Note

The Whole Dollar Premium Rule does not apply in this instance.

(4) If an auto is insured for a coverage not applicable to the auto with the highest Total Base Premium for all coverages combined, then no surcharge applies to that coverage.

- e. Add the applicable Driving Record Surcharge Premium for each coverage of each auto to the otherwise applicable premium for each coverage of each auto.

3. Statistical Coding

- a. Single Car Risks -- Assign the Driving Record Sub-Classification Statistical Code, reflecting the number of points, to the auto.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

b. Multi-Car Risks – Assign the Driving Record Sub-Classification Statistical Code reflecting:

- (1) The number of driving record points, to the auto with the highest Total Base Premium.
- (2) Zero driving record points, to each other auto insured on the policy.

E. Cancellations and Changes**1. Policies for Terms Not Exceeding One Year**

No policy shall be endorsed in term to effect a change of Driving Record Sub-Classification except to recognize the addition or deletion of an operator.

2. Policies for Terms Exceeding One Year

No policy shall be endorsed to effect a change of Driving Record Sub-Classification until the next annual anniversary of the inception of the policy except to recognize the addition or deletion of an operator.

PRIMARY CLASSIFICATION RATING FACTORS*

Coverage	Pleasure Use	Drive to or from Work		Business Use	Farm Use
	(1A)	Less than 10 Miles (1B)	10 or More Miles (1C)	(3)	(1AF)
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	.80
Collision	1.00	1.10	1.10	1.10	.80
Comprehensive Fire, Theft, C.A.C.	1.00	1.20	1.20	1.20	.80

SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR*
Add the following rating factors to the Primary Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.30	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.50	Factor +3.40	Factor +0.70
	Less than Two Years	Factor +1.75	Factor +1.90	Factor +0.55
	Less than Three Years	Factor +1.30	Factor +1.65	Factor +0.55
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.90	Factor +2.10	Factor +0.25
	Less than Two Years	Factor +0.90	Factor +1.10	Factor +0.10
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.15	Factor +3.10	Factor +0.60
	Less than Two Years	Factor +1.40	Factor +1.60	Factor +0.45
	Less than Three Years	Factor +0.95	Factor +1.35	Factor +0.45
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.55	Factor +1.80	Factor +0.15
	Less than Two Years	Factor +0.55	Factor +0.80	Factor +0.00
Less than Three Years	Factor +0.25	Factor +0.55	Factor -0.10	

* For Statistical Coding Requirements – Refer to page NC-E-Coding.

PRIMARY CLASSIFICATION RATING FACTORS
(Cont'd)

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES

Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.

Use the statistical code indicated for the Driving Record Sub-Classification.

Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.25
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	1.05
6	6	06	1.30
7	7	07	1.60
8	8	08	1.90
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
Not Eligible	NE	95	+0.10

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**6. MODEL YEAR FOR FIRE, THEFT, COMBINED
ADDITIONAL COVERAGE, COMPREHENSIVE
AND COLLISION COVERAGES**

A. Model Year Rating

1. The model year of the auto is the year assigned by the auto manufacturer.
2. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.
3. If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

B. Coding

Policies effective July 1, 1982 and subsequent:

Code the two digits of the model year, for example, code 1982 vehicles as 82, 1983 as 83, etc.

7. MINIMUM PREMIUM RULE

The minimum annual premium charge is \$10 for each policy, certificate, declaration or binder covering one or more of the following perils:

Comprehensive

Fire, Theft, Windstorm, Combined Additional Coverage, Collision

Bodily Injury Liability, or

Property Damage Liability

Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.

The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge shall be adjusted on a pro rata or short rate basis, as the conditions require.

8. POLICY PERIOD

A. No policy may be written for a period longer than 12 months for Liability Coverage or 48 months for Physical Damage Coverage.

B. Premium charged for policy terms not exceeding 12 months is as follows:

1. Twelve Month Policies –

Charge the annual premium or minimum premium whichever applies.

2. Three and Six Month Policies –

a. For a specified 3 or 6 month period the premium charge is 25% or 50% respectively, of the annual or minimum annual premium whichever applies.

b. Policies issued for a 3 or 6 month period with an effective date on the 29th, 30th, and 31st of any month.

The first policy can be extended from the effective date to the first day of the calendar month following the expiration of the policy.

Premium for this extended coverage of 1 to 3 days may be waived.

3. Other Short Policies written for less than 12 months and other than 3 or 6 months.

Such policies shall be written short rate with premiums computed in accordance with the One Year Short Rate Table in the Cancellation Rule.

Exceptions:

The premium is computed Pro Rata:

1. When coverage is written to secure a common policy date with other coverages or lines of insurance.

2. When a policy is issued on a short term basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and shall be in effect for a period equal to the unexpired term of the outstanding policy.

3. When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.

C. Long Term Physical Damage Policies written for a term in excess of 12 months – Determine premium as follows:

1. 1st 12 months:

Charge the first year premium or minimum premium, whichever applies.

2. 2nd 12 months:

In addition to the above, charge the second year premium or minimum whichever applies.

If the term is more than 12 months but less than 24 months, charge pro rata of such second year premium or minimum whichever is larger for the period in excess of 12 months.

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8. POLICY PERIOD (Cont'd)

3. 3rd 12 months:

In addition to the premium for the 1st and 2nd 12 month periods, charge the third year premium or minimum premium whichever applies.

If the term is more than 24 months but less than 36 months charge the pro rata of such third year premium or minimum premium, whichever is larger, for the period in excess of 24 months.

4. 4th 12 months:

In addition to the premium for the 1st, 2nd and 3rd 12 month periods, charge the fourth year premium or minimum premium whichever applies.

If the term is more than 36 months but less than 48 months, charge pro rata of such fourth year premium or minimum premium, whichever is larger, for the period in excess of 36 months.

Note:

Calculation of the premium for the 2nd, 3rd and 4th 12 month periods, or pro rata part thereof shall recognize:

1. Any change in the model year of the insured auto, during a previous 12 month period;
2. Any change in sub-classification under the Safe Driver Insurance Plan.
3. A change in symbol assignment based on a review of loss experience.

9. CHANGES

- A. If an auto or form of coverage is added during the term of a policy and the additional insurance is written to expire concurrently with the original insurance, the premium for such additional insurance shall be computed pro-rata, at the rates in effect at the time the addition is made.

If the policy has been written for less than one year on a short rate basis, the premium for the additional insurance shall be pro rata of the short rate charge for the policy period.

If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.

PHYSICAL DAMAGE COVERAGES ONLY

- B. If coverage is transferred during the policy term from one auto to another, the premium shall be computed pro rata on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.

LIABILITY COVERAGES ONLY

- C. If coverage is transferred during the policy term from one auto to another, premium shall be computed pro rata on the basis of the rules and rates in effect at the inception of the policy.
- D. If an auto is transferred from one rating territory to another or if an auto is temporarily transferred from one rating territory to another for a period of not less than 30 consecutive days, the premium for the balance of the policy period may be adjusted by endorsement at the time the change is made. The company shall charge on a pro rata basis the rate or rates for the territories in which the auto is garaged during the remainder of the policy period. The premium adjustment shall be made on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.
- E. If the liability limits or deductible amounts are changed during the policy period, the premium adjustment for such change shall be made on the basis of the rates in effect at the inception date of the policy.
- F. Premium Adjustment
1. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment of \$2 or less, the amount:
 - a. may be waived, or
 - b. may be made subject to a minimum of \$2.
except that the actual return premium shall be returned at the request of the insured.
 2. Minimum premium of \$2 applies if an insured requests the following during the policy period.
 - a. additional coverage,
 - b. an increase in the limits of liability,
 - c. a reduced deductible.
 3. Companies need not refund a return premium of less than \$2 if the insured requests the following:
 - a. cancellation of coverage,
 - b. reduction in limits of liability,
 - c. increase in deductible,except that the actual return premium shall be returned at the request of the insured.

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9. CHANGES (Cont'd)

4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges. If \$2 or less, it may be charged or waived.
5. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment
 - a. within 30 days prior to the expiration of a 6-month policy period, or
 - b. within 60 days prior to the expiration of a policy period longer than 6 months,companies need not charge or refund a premium, except that actual refunds shall be made at the request of the insured.

10. CANCELLATION

- A. Cancellation of a policy, vehicle or form of coverage:
1. If the insured requests cancellation, compute return premium on a Short Rate Basis.

Exceptions

Compute return premium on a Pro Rata basis in the following cases:

1. If the insured has disposed of a vehicle then takes out a new policy in the same company on another vehicle, to become effective within thirty days of the date of cancellation.
2. If the insured vehicle is repossessed under terms of a financing agreement.
3. In a multi-car situation:
 - a. If one vehicle is cancelled from the policy and the policy remains in force on other vehicles, or
 - b. If a policy is cancelled but there remains in force with the same company and in the name of insured or spouse, if resident in the same household, a concurrent policy covering another vehicle.
4. If the insured enters the armed forces of the United States of America.

5. If the insured vehicle is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured (a) within 30 days following the date the auto is stolen or destroyed, or (b) within 15 days of the time the auto was determined by the company (1) to be unrecoverable or stolen, or (2) to be a total or constructive loss. The return premium for all coverages (including the premium for the coverage under which the loss was paid) shall be calculated from the day following the date of the loss.
6. If an insured who has been ceded to the Reinsurance Facility at rates higher than the insurer's voluntary rates obtains insurance through another insurer who elects not to cede the policy to the Facility and the insured cancels the ceded policy within 45 days of the effective date of the ceded policy.

Exception:

This pro rata cancellation shall not apply to a cancellation by any insurance premium finance company.

2. If the company cancels, the return premium is computed pro rata.
3. If a policy written at short rate is cancelled, the earned premium for the time the policy has been in force shall be computed pro rata of the original short rate premium.
4. The following provisions apply to policies exceeding 12 months:
 - a. If a policy has been in force less than 1 year, the earned premium is computed in accordance with the provisions of this Rule for the first year's premium.
 - b. If a policy has been in force more than 12 months but less than 24 months, the earned premium shall be the first 12 months premium plus pro rata of the annual premium for the second 12 months.
 - c. If a policy has been in force for more than 24 months but less than 36 months, the earned premium shall be the first 24 months' premium plus pro rata of the annual premium for the third 12 months.
 - d. If a policy has been in force more than 36 months but less than 48 months, the earned premium shall be the first 36 months' premium plus pro rata of the annual premium for the fourth 12 months.

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10. CANCELLATION (Cont'd)

B. Instructions for Use of Short Rate Tables.

1. The "Three Month Short Rate Table" shall apply only to a policy written for a specified period of 3 months.
2. The "Six Month Short Rate Table" shall apply only to a policy written for a specified period of 6 months.
3. The "One Year Short Rate Table" shall apply to:
 - a. a policy written for a specified period of less than one year, other than a policy written for a specified period of 3 months or 6 months.
 - b. a policy written for a specified period of one year or more.

C. Instructions for Use of PRO RATA TABLES

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g. March 7, 1976 is designated as 1976.181.
2. In like manner, express the effective date of the policy year and decimal part of a year and subject from the cancellation date.
3. The difference in the case of 1 year policies, represents the percentage of the annual premium which is to be retained by the carrier.

4. For 6 Month Term Policies, the difference between cancellation date and effective date multiplied by two represents the percentage of the semi-annual term premium which is to be retained by the carrier.
5. For 3 Month Term Policies, the difference between cancellation date and effective date multiplied by four represents the percentage of the quarter-annual term premium which is to be retained by the carrier.

Example:

Cancellation date May 19, 1976.....	1976.381
Effective date March 2, 1976.....	<u>1976.167</u>
	.214

Earned premium for a 1 Year Term Policy will therefore be .214 times the annual premium.

For a 6 Month Term Policy: Multiply .214 by 2. (.214 x 2 = .428). Earned premium will be .428 times the semi-annual term premium.

For a 3 Month Term Policy: Multiply .214 by 4. (.214 x 4 = .856). Earned premium will be .856 times the quarter-annual term premium.

Note:

As it is not customary to charge for the extra day (February 29th) which occurs one year in every four years this table shall also be used for each such year.

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PRO RATA TABLE

January			February			March			April			May			June		
Day	Day		Day	Day		Day	Day		Day	Day		Day	Day		Day	Day	
of	of		of	of		of	of		of	of		of	of		of	of	
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079				29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082				30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085				31	90	.247				31	151	.414			

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PRO RATA TABLE

July			August			September			October			November			December		
Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666				31	304	.833				31	365	1.000

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ONE YEAR SHORT RATE TABLE

Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium
1	5%	95 - 98	37%	219 - 223	69%
2	6	99 - 102	38	224 - 228	70
3 - 4	7	103 - 105	39	229 - 232	71
5 - 6	8	106 - 109	40	233 - 237	72
7 - 8	9	110 - 113	41	238 - 241	73
9 - 10	10	114 - 116	42	242 - 246	74
11 - 12	11	117 - 120	43	247 - 250	75
13 - 14	12	121 - 124	44	251 - 255	76
15 - 16	13	125 - 127	45	256 - 260	77
17 - 18	14	128 - 131	46	261 - 264	78
19 - 20	15	132 - 135	47	265 - 269	79
21 - 22	16	136 - 138	48	270 - 273	80
23 - 25	17	139 - 142	49	274 - 278	81
26 - 29	18	143 - 146	50	279 - 282	82
30 - 32	19	147 - 149	51	283 - 287	83
33 - 36	20	150 - 153	52	288 - 291	84
37 - 40	21	154 - 156	53	292 - 296	85
41 - 43	22	157 - 160	54	297 - 301	86
44 - 47	23	161 - 164	55	302 - 305	87
48 - 51	24	165 - 167	56	306 - 310	88
52 - 54	25	168 - 171	57	311 - 314	89
55 - 58	26	172 - 175	58	315 - 319	90
59 - 62	27	176 - 178	59	320 - 323	91
63 - 65	28	179 - 182	60	324 - 328	92
66 - 69	29	183 - 187	61	329 - 332	93
70 - 73	30	188 - 191	62	333 - 337	94
74 - 76	31	192 - 196	63	338 - 342	95
77 - 80	32	197 - 200	64	343 - 346	96
81 - 83	33	201 - 205	65	347 - 351	97
84 - 87	34	206 - 209	66	352 - 355	98
88 - 91	35	210 - 214	67	356 - 360	99
92 - 94	36	215 - 218	68	361 - 365	100

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THREE MONTH SHORT RATE TABLE

Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium
1	6%	28	41%	58	71%
2	7	29	42	59	73
3	9	30	43	60 - 61	74
4	12	31	44	62	75
5	16	32	46	63	76
6	17	33	47	64	77
7	18	34	48	65 - 66	78
8	19	35	49	67	79
9	20	36	50	68	81
10	21	37	51	69 - 70	82
11	22	38	52	71	83
12	23	39	53	72	84
13	24	40	54	73	85
14	26	41	56	74 - 75	86
15	27	42	57	76	87
16	28	43	58	77	89
17	29	44	59	78 - 79	90
18	30	45	60	80	91
19	31	46	61	81	92
20	32	47 - 48	62	82	93
21	33	49	63	83 - 84	94
22	34	50	65	85	95
23	36	51 - 52	66	86	97
24	37	53	67	87 - 88	98
25	38	54	68	89	99
26	39	55	69	90 - 92	100
27	40	56 - 57	70		

PERSONAL AUTO MANUAL
NORTH CAROLINA

SIX MONTH SHORT RATE TABLE

Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium
1	6%	50 - 51	38%	112 - 114	70%
2	7	52	39	115 - 116	71
3	8	53 - 54	40	117 - 118	72
4	9	55 - 56	41	119 - 120	73
5	10	57 - 58	42	121 - 123	74
6	11	59 - 60	43	124 - 125	75
7	12	61 - 62	44	126 - 127	76
8	13	63	45	128 - 130	77
9	14	64 - 65	46	131 - 132	78
10	15	66 - 67	47	133 - 134	79
11	16	68 - 69	48	135 - 136	80
12	17	70 - 71	49	137 - 139	81
13 - 14	18	72 - 73	50	140 - 141	82
15 - 16	19	74	51	142 - 143	83
17 - 18	20	75 - 76	52	144 - 145	84
19 - 20	21	77 - 78	53	146 - 148	85
21	22	79 - 80	54	149 - 150	86
22 - 23	23	81 - 82	55	151 - 152	87
24 - 25	24	83	56	153 - 155	88
26 - 27	25	84 - 85	57	156 - 157	89
28 - 29	26	86 - 87	58	158 - 159	90
30 - 31	27	88 - 89	59	160 - 161	91
32	28	90 - 91	60	162 - 164	92
33 - 34	29	92 - 93	61	165 - 166	93
35 - 36	30	94 - 95	62	167 - 168	94
37 - 38	31	96 - 98	63	169 - 171	95
39 - 40	32	99 - 100	64	172 - 173	96
41	33	101 - 102	65	174 - 175	97
42 - 43	34	103 - 104	66	176 - 177	98
44 - 45	35	105 - 107	67	178 - 180	99
46 - 47	36	108 - 109	68	181 - 184	100
48 - 49	37	110 - 111	69		

11. WHOLE DOLLAR PREMIUM

This rule applies only to Fire, Theft, Combined Additional Coverage, Comprehensive and Collision coverages.

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$.50 or more shall be rounded to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellations by the company, the return premium may be carried to the next higher whole dollar.

The phrase "each exposure" as used herein shall mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other business.

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES

A. Other Than Collision

1. 1990 and Subsequent Model Year Vehicles

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
4	04	0.72
19	19	4.46
20	20	4.94
24	24	5.40
22	22	6.19
23	23	6.93
24	24	8.93
25	25	9.88
26	26	12.13
27	27	*

+ Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +2.00 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior Model Years
4	04	0.28
2	02	0.31
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.84
15	15	3.56
16	16	4.31
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
24	24	12.13

1. 1982 and Prior Model Years

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 3.19 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

B. Collision

1. 1990 and Subsequent Model Year Vehicles

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
4	04	0.88
19	19	2.43
20	20	2.51
24	24	2.61
22	22	2.75
23	23	2.86
24	24	2.99
25	25	3.23
26	26	3.50
27	27	*

+ Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +.15 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

Deleted: *

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES (Cont'd)

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior Model Years
1	04	0.42
2	02	0.50
3	03	0.63
4	04	0.74
5	05	0.83
6	06	0.92
15	15	2.17
16	16	2.38
17	17	2.54
18	18	2.75
19	19	2.92
20	20	3.08
24	24	3.50

3. 1982 and Prior Model Years

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 2.29 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

C. Original Cost means:

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.

13. SUSPENSION

- A. Under any policy providing just Physical Damage Coverage, only Collision may be suspended.
- B. Liability Coverages may not be suspended for risks for which a financial responsibility filing is in effect.
- C. Insurance may be suspended by endorsement in accordance with the following provisions provided the period of suspension is at least thirty (30) consecutive days.

1. Insurance may be reinstated upon the named insured's request effective not earlier than receipt of such request by the company or any of its authorized representatives.
2. The reinstatement endorsement shall not extend the policy beyond its original expiration date.

LIABILITY AND COLLISION COVERAGES ONLY

3. Pro rata premium credit for the period of suspension shall be granted upon reinstatement subject to a minimum retention by the company of sixty days premium calculated on a short rate basis. The minimum premium retention by the company shall not apply to suspensions under Section F. of this rule.
4. If the policy expires during the period of suspension, the named insured shall be entitled to a pro rata return premium in accordance with the foregoing provisions of this rule.
5. If a policy written for less than one year is suspended but subsequently reinstated and extended for the remainder of such year, or any part thereof, or if such policy expires during the suspension period, pro rata premium credit shall be granted for the period of suspension in accordance with the foregoing provisions of the Policy Period Rule for extension of a short term policy.

- D. If collision or liability coverages are suspended on all owned autos, coverage for which separate premiums apply – including Uninsured Motorists Coverage, Underinsured Motorists Coverage, auto death indemnity, total disability, and specific disability benefits coverage, medical payments coverage, non-owned auto or extended liability coverage provided under the use of other autos provisions – may be continued in force without premium adjustment for these coverages.

Deleted: *

13. SUSPENSION (Cont'd)

- E. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage for liability only, afforded without separate premium charge may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- F. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike, may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (C) provided the insured furnishes the company with a letter requesting the return premium. The letter shall be written on the insured's letterhead, signed by an executive of the company and shall include the following:
 1. A description of each auto.
 2. The dates between which it was laid up because of the strike.
 3. A statement by the insured that he agrees to reimburse the company for any payment made by the company on account of any accident, claim or suit involving a coverage for an auto described in the letter for which return premium has been allowed by the company.

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

- 1. Owners – (Class Code – Refer to Statistical Plan)
 Bodily Injury and Property Damage Uninsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

This coverage shall not apply when a named insured has either:

- Elected to purchase Combined Uninsured/Underinsured Motorists Coverage; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate – Single Vehicle* Policy	\$17
Multi-Vehicle* Policy	\$40

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

b. Increased Limits

Increased limits of Uninsured Motorists Coverage may be afforded. Property Damage limits may not exceed the Property Damage Liability limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ 15	\$ 35
50/100	16	38
100/200	18	42
100/300	19	45
300/300	22	52
250/500	24	57
500/500	25	59
500/1,000	27	64
1,000/1,000	28	66

P.D. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

14. MISCELLANEOUS COVERAGES (Cont'd)

c. Additional Persons

Bodily Injury Uninsured Motorists Coverage Only may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non-Owners – (Class Code 990000)

a. A Named Non-Owner Liability Policy may be extended to provide Uninsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

b. Bodily Injury Uninsured Motorists Coverage Only may be afforded to any person who does not own an auto and who is not otherwise afforded Uninsured Motorists Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

Policy Term	Factor
One Year	3.50
Three Years	5.50

B.1. Combined Uninsured/Underinsured Motorists Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

Combined Uninsured/Underinsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

This coverage shall not apply when a named insured has:

- Purchased a policy with Bodily Injury limits not greater than \$30,000/\$60,000; or
- Specifically rejected this coverage in writing and elected to purchase Uninsured Motorists Coverage ONLY; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Limits

Combined Uninsured/Underinsured Motorists Coverage limits are available only at Bodily Injury limits higher than \$30,000/60,000 and with Property Damage limits at \$25,000 or with a limit not to exceed the Property Damage Liability limit afforded by the policy. The Property Damage coverage applies only on an Uninsured Motorists basis and is subject to an exclusion of the first \$100 of damage.

Refer to Uninsured Motorists Coverage ONLY for \$30/60/25 limits.

b. Rates

Combined Uninsured/Underinsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 21	\$ 50
100/200	36	84
100/300	44	104
300/300	60	142
250/500	71	168
500/500	97	229
500/1,000	109	258
1,000/1,000	123	290

P.D. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

For limits other than those shown, charge the premium for the next higher limit.

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

2. Non-Owners – (Class Code 990000)

A Named Non-Owner Liability Policy may be extended to provide Combined Uninsured and Underinsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

Attach the applicable endorsement.

B.2. Alternative Economic Loss Coverage

An insurer may, at its option, make available Alternative Economic Loss Coverage to cover economic loss only. Coverage is **not** provided for non-economic loss.

Economic loss consists of medical care, compensation for lost earnings and replacement services, and payment of a death benefit when bodily injury results from an automobile accident caused by an uninsured or underinsured motorist.

If made available by the insurer, Alternative Economic Loss Coverage may only be made available on policies where both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverage have been rejected in writing.

Alternative Economic Loss Coverage may be made available at the following limits with rates per policy shown:

	B.I. Limits	
	Single Car Policy	Multi-Car Policy
\$ 30/60	\$ 5	\$ 12
50/100	9	21
100/200	15	36
100/300	18	43
300/300	25	59
250/500	31	74
500/500	39	92
500/1,000	46	108
1,000/1,000	50	118

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

\$ 25 Deduct. (071)	– Charge 150% of the \$50 Deduct. Collision Premium
\$ 50 Deduct. (072)	– Charge 102% of the \$100 Deduct. Collision Premium
\$ 200 Deduct. (073)	– Charge 97% of the \$100 Deduct. Collision Premium
\$ 250 Deduct. (076)	– Charge 95% of the \$100 Deduct. Collision Premium
\$ 500 Deduct. (077)	– Charge 88% of the \$100 Deduct. Collision Premium

\$ \$1,000 Deduct. (078) – Charge 77% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

\$ 50 Deduct. (003) – Charge 95% of the Full Coverage Comprehensive Premium

\$ 100 Deduct. (010) – Charge 90% of the Full Coverage Comprehensive Premium

\$ 250 Deduct. (055) – Charge 77% of the Full Coverage Comprehensive Premium

\$ 500 Deduct. (726) – Charge 60% of the Full Coverage Comprehensive Premium

\$ 1,000 Deduct. (727) – Charge 50% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

D. Extended Transportation Expenses Coverage

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$10
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$20
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$32

3. Endorsement

Attach the extended transportation expenses coverage endorsement to the policy.

E. Towing and Labor Costs

1. This coverage may be written only for Private Passenger Autos.

2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$2
50	4
100	6
None (subject to coverage provisions)	13

3. Attach applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

F. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment

1. Coverage

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

2. Rating

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

G. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates

1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.

2. Annual rates per person insured:

- a. Coverage A – Auto Death Indemnity or Benefit
(Class Code 904000)

Principal Sum	Annual Rate
\$ 5,000	\$2
10,000	4

14. MISCELLANEOUS COVERAGES (Cont'd)

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits

Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$25	\$3
35	3
50	6

- d. Coverage D – Total Disability Benefits – Maximum 200 weeks. (Class Code 905000)

Weekly Indemnity	Annual Rate
\$25	\$2
35	3
50	5

- 3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

H. Repair or Replacement Coverages

1. Five Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.

- b. Repair or Replacement Coverage is available:

- (1) Only for autos purchased new.
- (2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.
- (5) Only if the collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 15% of the combined collision and other than collision premiums.

- d. Attach Endorsement NC 03 11.

2. One Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.

- b. Replacement Cost Coverage is available:

- (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
- (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) Only if collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 10% of the combined collision and other than collision premiums.

- d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

- e. Attach Endorsement NC 03 12.

I. Coverage for Rented Vehicles

- 1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.

2. Rating

- a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.
- b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.
- c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.

3. Cancellation

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

14. MISCELLANEOUS COVERAGES (Cont'd)

J. Original Equipment Manufacturer (OEM) Parts Loss Settlement

1. Coverage

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

- a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.

If OEM parts are not available, non-OEM parts may be used.

- b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

2. Rating

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

3. Endorsement

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

K. Coverage For Damage To Your Auto – Customizing Equipment Coverage

1. Coverage

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;
- c. Height extending roofs or ladders;
- d. Custom windows, murals, paintings or other decals or graphics;
- e. Tool boxes and fifth wheel conversions;
- f. Side exhausts and headers;
- g. Winches and roll bars;
- h. Special wheels/tires; or

- i. Body or suspension alterations.

Note

The optional coverage buybacks for customized furnishings or equipment that are described in 2. below do not apply to the following:

- Camper bodies (refer to Rule 19.A.); and
- Caps, covers or bedliners.

2. Rating

- a. The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

- b. The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 70
3,000	120
4,000	170
5,000	210
6,000	240
7,000	270
8,000	300
9,000	320
10,000	340
11,000	360
12,000	380
13,000	400
14,000	420
15,000	440
16,000	460
17,000	480
18,000	500
19,000	520
20,000	540

For limits in excess of \$20,000, charge \$20 per \$1000 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS

For risks not eligible for rating under the Safe Driver Insurance Plan, a surcharge of 35% shall be applied in addition to the surcharge of 50%, 25% or 5% applicable under this Rule.

15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS (Cont'd)

For risks rated under the Safe Driver Insurance Plan, the additional charge for each risk shall be \$4 for the period of coverage. The \$4 charge shall not be subject to modification under the provisions of any rating plan or other manual rate.

A. Surcharges

1. Surcharges apply to Liability coverages only.
2. The appropriate charges shown below shall be applied to the final premium for the affected coverages for the period of time the certificate is required but not more than three years (after 3 years of 5% surcharge applies) as follows:
 - a. 50% for driving a motor vehicle while intoxicated, or failing to stop and report when involved in an accident, or homicide or assault arising out of the operation of a motor vehicle.
 - b. 25% for driving a motor vehicle at an excessive rate of speed or in a reckless manner, where an injury to person or damage to property actually results therefrom.
 - c. 5% for any reason requiring filing.

B. Owners

1. If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which he does not own, the additional premium shall be computed by applying the proper surcharge to the sum of the premium for the highest rated auto owned by the insured and the total nonownership liability premium, modified in accordance with any applicable rating plan.
2. In all other cases, the additional premium shall be computed by applying the proper surcharge to the premium for the highest rated auto owned by the insured modified in accordance with any applicable rating plan.

C. Non-Owners

1. If a policy is written to insure a named individual, the additional premium shall be computed by applying the proper surcharge to the premium for the policy.
2. If coverage is provided under a policy which has been extended to cover a named individual in accordance with Rule 17. – Extended Non-Owned Liability Coverage, the additional premium shall be computed by applying the proper surcharge to:
 - a. The rates for the highest rated auto insured under the policy for the rating territory in which the named individual is located, or
 - b. If there is no auto at such location, 170% of the private passenger Base Rates for the territory in which the named individual is located.

16. NAMED NON-OWNER POLICY

(For individuals who do not own an auto)

- A. Liability and Medical Payments Coverage
Charge 90% of the premium that would apply if such individual owned an auto.
- B. Uninsured Motorists Insurance and Underinsured Motorists Insurance
Refer to Rule 14.
- C. Attach the named non-owner coverage endorsement.

17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY)

A. Liability Coverage

Liability coverage may be extended to an individual described below:

1. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use but is NOT employed by a garage:
 - a. When no Primary Liability insurance is in effect on the auto, charge 50% of the liability premium which would apply if the furnished auto were being specifically insured as an owned auto by the individual.
 - b. When there is Primary Liability insurance in effect on the auto or if the auto is used in the business of the United States Government, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

2. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use and is employed by a garage:
 - a. When garage has no liability insurance charge 170% of Base Rate for Liability
 - b. When garage has liability insurance, refer to Company.
3. In all other situations, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY) (Cont'd)

B. Medical Payments

Medical Payments coverage is available only if Bodily Injury and Property Damage coverages are extended. Medical Payments shall be provided at the same limits as the Medical Payments limit of policy to which attached. Premiums per person are displayed below.

Medical Payments Limits of Policy to Which Attached	Auto Furnished for Regular Use	Auto Not Furnished For Regular Use
\$ 500	\$ 4	\$ 2

Use the factors in Rule 18.D. to determine premiums for Medical Payments limits above \$500.

18. INCREASED LIMITS

A. The tables in Sections B. and C. below contain the factors to be applied to the appropriate basic limits rates for Bodily Injury or Property Damage Liability.

Refer to company for limits not displayed in these tables.

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	1.15
100/100	1.27
100/200	1.33
100/300	1.35
300/300	1.54
250/500	1.57
500/1,000	1.73
1,000/1,000	1.83
1,000/2,000	1.88

C. \$25,000 Property Damage Liability Increased Limits Table

Applicable to \$25,000 Property Damage Liability Rates Only:

Limit	Factor	Limit	Factor
25,000	1.000	250,000	1.059
35,000	1.005	500,000	1.113
50,000	1.010	750,000	1.153
100,000	1.030	1,000,000	1.202

D. Medical Payments Increased Limits

Applicable to \$500 Medical Payments Rates Only:

Total Medical Payments Limits	Factor
\$ 750	1.33
1,000	1.60
2,000	2.34
5,000	3.38
10,000	3.86
25,000	4.53
50,000	5.13
75,000	5.39
100,000	5.50

E. Single Limit Coverages

The premium for single limit liability coverages shall be calculated as follows:

1. Apply a single discount of 3% to both the Bodily Injury and the Property Damage normal factors for separate limits equal to the desired single limit.
2. Calculate the separate Bodily Injury and Property Damage premiums, the sum of which is the combined premium.

19. MISCELLANEOUS TYPES

A. Trailers Designed for Use with Private Passenger Autos

Coverage may be provided for:

1. Recreational Trailers

Non-self-propelled units equipped as living quarters (including cooking, dining, plumbing or refrigeration facilities).

To be eligible for coverage, insured must maintain a separate and permanent residence other than the recreational trailer.

Note

1. Camper trailers shall be rated as Recreational Trailers.
2. A portable camper body used with a pickup truck shall be rated as a Recreational Trailer. The pickup truck shall be rated in accordance with Rule 4.F.

19. MISCELLANEOUS TYPES (Cont'd)

2. Other Trailers

All non-self-propelled units not included above.

Liability and Medical Payments Coverages

A Personal Auto Policy affording Liability and Medical Payments Coverage also covers trailers as described above for these coverages without additional premium charge and without specific description of the trailers when used with a private passenger auto.

Other Policies affording Liability and Medical Payments Coverage will also provide this coverage for trailers without additional premium charge and without specific description of the trailer except when the trailer is used with any auto owned or hired by the insured and not covered by like insurance in the company.

Refer to company for rates applicable to a trailer described above if:

1. Used with any auto owned or hired by the insured and not covered by like insurance in the company, or
2. No auto is owned by the insured.

Medical Payments Insurance

Medical payments insurance is available for a home trailer, office trailer, store trailer or display trailer, if used with a private passenger auto.

The rate shall be three times the medical payments rate for the applicable private passenger classification for the territory in which the risk is located.

Farm Wagons and Farm Implements:

Coverage is afforded without additional charge for farm wagons or farm implements when attached to private passenger type autos.

Physical Damage Coverages Only

Trailers are to be insured as separate items with separate premiums shown for each unit. If deductible coverage is written, the deductible shall apply separately to each unit.

1. Recreational Trailers – All Classes – Entire State

a. Contents

- (1) Auto Home Contents Coverage for Fire and Lightning and Combined Additional Coverage (including or excluding malicious mischief and vandalism) may be added.

Fire – Charge fire rate applicable to Mobilehome Insured.

Combined Additional Coverage Including Malicious Mischief and Vandalism – 25 cents per \$100.

Combined Additional Coverage Excluding Malicious Mischief and Vandalism – 20 cents per \$100.

Apply to company for endorsement.

- (2) Auto Home Coverage for TV antennas, awnings, and cabanas or equipment designed to create additional living facilities may be added.

Covered Property Coverage – \$50 Deductible – (Coverage Code 069) Charge \$1.45.

Coverage Property Coverage – \$100 Deductible – (Coverage Code 069) Charge \$1.15.

Attach Applicable Endorsement.

- b. Fire Rate – (new & old) – \$0.45
- c. Theft Rate – (new & old) – \$0.10
- d. Windstorm Rate – (new & old) – \$0.05
- e. Combined Additional Coverage without Malicious Mischief and Vandalism Rate – (new & old) – \$0.10
- f. Combined Additional Coverage with Malicious Mischief and Vandalism Rate – (new & old) – \$0.15
- g. Comprehensive

Full Coverage	(Cov. Code 01)	– \$1.45
\$ 50 Deductible	(Cov. Code 03)	– 1.25
\$ 100 Deductible	(Cov. Code 10)	– 1.10
\$ 250 Deductible	(Cov. Code 055)	– 0.95
\$ 500 Deductible	(Cov. Code 726)	– 0.75
\$1,000 Deductible	(Cov. Code 727)	– 0.50

19. MISCELLANEOUS TYPES (Cont'd)

h. Collision Premiums – All Classes – Entire State

Original Cost	Deductibles											
	\$50		\$100		\$200		\$250		\$500		\$1000	
	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old
0 – 600	\$ 24	\$ 19	\$ 10	\$ 8	\$ 9	\$ 7	\$ 7	\$ 6	\$ 6	\$ 5	\$ 5	\$ 4
601 – 800	26	21	12	9	11	9	8	6	7	6	6	5
801 – 1,050	29	23	13	10	12	10	9	7	8	6	7	6
1,051 – 1,300	31	25	15	12	14	11	10	8	9	7	8	6
1,301 – 1,600	34	27	18	14	16	13	13	10	11	9	9	7
1,601 – 1,900	37	30	20	16	18	14	15	12	12	10	10	8
1,901 – 2,400	42	34	23	18	21	17	18	14	14	11	12	10
2,401 – 3,000	47	38	28	22	25	20	21	17	17	14	14	11
3,001 – 4,000	56	45	34	27	31	25	25	20	20	16	17	14
4,001 – 5,000	66	53	42	34	38	30	30	24	25	20	21	17
5,001 – 6,000	77	62	50	40	45	36	35	28	30	24	25	20
6,001 – 7,000	87	70	58	46	52	42	41	33	35	28	29	23
7,001 – 8,000	98	78	66	53	59	47	46	37	40	32	33	26
8,001 – 9,000	108	86	74	59	67	54	52	42	44	35	37	30
9,001 – 10,000	119	95	82	66	74	59	57	46	49	39	41	33

(1) "New" means purchased new not more than 18 months prior to date insurance attaches.

"Old" – All Others

(2) For Recreational Trailers having a cost exceeding \$10,000, the indicated premiums for the \$9,001 to \$10,000 group shall be increased 10% per \$1,000 or fractions thereof in excess of \$10,000.

(3) The premiums shown above are subject to a retained Minimum Premium equal to 25% of the annual premium applicable.

2. All Other Trailers – All Classes – Entire State

All Non-Self-Propelled Units Not Included in Paragraph 1. Above.

Rates Per \$100 of Insurance

Coverage	Rates
Fire	\$0.10
Theft	0.05
Windstorm	0.05
Combined Additional Coverage without Malicious Mischief & Vandalism	0.10
Combined Additional Coverage with Malicious Mischief & Vandalism	0.15
Comprehensive – Full Coverage – (Cov. Code 01)	0.55
Comprehensive – \$50 Deductible – (Cov. Code 03)	0.37

COLLISION PREMIUMS – ALL CLASSES – ENTIRE STATE

Original Cost New at Factory	\$25 Deduct.	\$50 Deduct.	\$100 Deduct.
\$ 0 – \$ 400	\$ 7	\$ 4	\$ 3
401 – 600	9	6	5
601 – 800	12	8	6
801 – 1,000	15	10	8
1,001 – 1,500	23	15	12
1,501 – 2,000	29	19	15
2,001 – 2,500	35	23	18
2,501 – 3,000	41	27	22
Each Additional \$500 Over \$3,000	5	4	3

19. MISCELLANEOUS TYPES (Cont'd)

B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes

Liability Coverages Only

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage and medical payments* rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage	Medical Payments*
0 - 499	0.17	0.38
500 - 1249	0.27	0.38
1250 - 1499	0.37	0.38
1500 - up	0.49	0.38

* Note: Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage
0 - 499	0.16
500 - 1249	0.26
1250 - 1499	0.36
1500 - up	0.47

Physical Damage Coverages Only

All Motorcycles and Motorscooters with three wheel chassis shall be rated as Commercial Types. Motorcycles with side-car attachment used for transportation or delivery of goods or merchandise shall be rated as Commercial Types.

	MOTOR- CYCLES (Except COMMERCIAL TYPES)	MOTOR- SCOOTERS (Except COMMERCIAL TYPES)	COMMERCIAL TYPES (Motorcycles and Motorscooters)
RATES PER \$100 OF INSURANCE			
Fire Rates -	\$.50	\$.50	\$.50
Theft Rates -	1.14	.88	.50

Combined Additional Coverage without Malicious Mischief & Vandalism - 17 cents per \$100 of insurance.

Combined Additional Coverage with Malicious Mischief & Vandalism - 22 cents per \$100 of insurance.

Collision - MOTORCYCLES AND MOTORSCOOTERS (Except Commercial Types):

1989 and Prior Model Years

Charge the following Percentages of the Symbol 7 Private Passenger Collision Rate for the applicable model year:

1990 and Subsequent Model Years

Charge the following Percentages of the Symbol 2 Private Passenger Collision Rate for the applicable model year:

Engine Size Cubic Centimeters (cc)	Percentage
0 - 100	29%
101 - 200	48%
201 - 300	66%
301 - 450	106%
451 - 600	115%
601 - 750	161%
751 - 900	220%
901 - 1,000	286%
Over 1,000	353%

Collision - COMMERCIAL TYPES (Motorcycles and Motorscooters):

Charge 75% of the Collision premiums for symbols determined in accordance with the table above.

Note

The Classification and Sub-Classification Rating Plans are applicable in rating all vehicles under this rule for all coverages. (See Rule 4. and Rule 5.)

C. SNOWMOBILES and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

Liability Coverages Only

(Class Code 967000) - Excluding Passenger Hazard

(Class Code 959000) - Including Passenger Hazard

1. Bodily Injury (excluding the passenger hazard) - \$20, \$30,000/60,000 limits.
Bodily Injury (including the passenger hazard) - \$60, \$30,000/60,000 limits.
2. Property Damage - \$10, \$25,000 limits
3. Medical Payments - \$10, \$500 per person (no other limits).
4. Uninsured Motorists Coverage
Charge rates shown in Rule 14.
5. All rates apply for the period of coverage.
6. The applicable endorsement shall be attached to the policy.

19. MISCELLANEOUS TYPES (Cont'd)

Physical Damage Coverages Only
(Class Code 959000)

- 7. Comprehensive
\$100 Deductible – \$2.00 per \$100.
 - 8. Collision
\$100 Deductible – \$2.00 per \$100.
- Note**
- a. Only Stated Amount Coverage is available.
 - b. A snowmobile and trailer designed to be towed by the snowmobile shall be considered one unit for determining the deductible amount to any loss, provided said trailer is described in the schedule on the endorsement.
- 9. The applicable endorsement shall be attached to the policy.

10. All rates apply for the period of coverage.

D. Golfmobiles

Vehicles commonly known as Golfmobiles, used principally off public roads, not used for commercial purposes, with capacity to carry one or more persons.

Note

Vehicles of this type not meeting the above qualifications, rate as a motorcycle.

Liability Coverages Only

- 1. Charge 25% of the applicable private passenger Base Premiums. (Class Code 943500)
- 2. All rates apply for the period of coverage.

Physical Damage Coverages Only

Fire – \$.60 per \$100 of Insurance.
Theft – \$.20 per \$100 of Insurance.

Collision –

Original Cost New	\$25 Ded.	\$50 Ded.	\$100 Ded.
\$ 0 – 750	\$16	\$10	\$ 8
751 & Over	24	15	10

E. Antique Autos

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

Liability Coverages Only

Charge 40% of the private passenger base premiums. (Class Code 962000)

Physical Damage Coverages Only

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000).

Rate Per \$100 of Insurance

Deductible	Comprehensive	Collision	Fire	Theft
\$ 50	\$1.25	\$1.50	\$.35	\$.35
100	1.10	1.25	.31	.31
250	.96	1.00	.27	.27
500	.74	.75	.21	.21

F. Classic Autos

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

Liability, Medical Payments, Uninsured and Underinsured Motorists

Classify and rate as a private passenger auto.

Physical Damage

Attach the coverage for damage to your auto (stated amount maximum limit of liability) endorsement.

- 1. Determine the stated amount of coverage applicable to the vehicle.
- 2. Assign a symbol based on the stated amount, from the table for 1990 and subsequent model years on Page 1. of the Symbol and Identification Section.

Note

Prior to October 1, 1989, the table for 1981-1989 model years in the Symbol and Identification Section should be used for symbol assignment.

- 3. Classify and rate as a private passenger auto using the base rate for the current model year.

20. FINANCED AUTOS

Financed autos shall be written at manual rates and minimum charges except for single interest coverages.

For single interest rates, rules and forms, refer to company.

21. STATE RATE, TERRITORY SHEETS

- 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.

22. INSTALLMENT PAYMENTS

The total premium for an auto policy is due and payable at the beginning of the policy period, unless the policy is issued on an installment payment basis in accordance with the following rules:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. An additional charge of \$3.00 shall be made for each installment.
- C. The premium paid to the company exclusive of the total installment payment charge shall never be less than the pro rata charge from the effective date of the policy to the due date of the next installment, where additional installments are to be paid, or to expiration of the policy where no further installments are due.
- D. Flat cancellation shall be accepted on business written on an installment basis only if there has been no coverage under the policy and the policy is returned to the company within thirty days. In all other cases, a pro rata earned premium shall be due to the company.
- E. This rule does not preclude the use of an installment payment plan which provides for deferring the due date of installment if the insurance is under suspension on the original due date.

23. EXCESS INDEMNITY POLICY

Bodily injury and property damage liability limits over primary limits may be afforded under an Excess Indemnity Policy with respect to an automobile classified and rated as a private passenger automobile. Primary insurance must be in force with respect to the automobile and the risk unable to obtain higher limits. If the company providing the excess limits coverage also provides the primary coverage to a risk, a letter of consent, signed by the insured, shall be secured and retained in the company's files. Refer to company for rating.

Bodily injury and property damage excess limits may be afforded separately or in conjunction with Medical Payments Insurance, Medical Payments Coverage is available on a \$100 deductible basis only. Refer to company for rating.

PERSONAL AUTO MANUAL
RATE PAGES

NORTH CAROLINA (32)

VOLUNTARY BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	300/300	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	1	4	5	6	1	2	3	4	6
11	\$136	\$156	\$184	\$209	\$159	\$161	\$164	\$16	\$21	\$26	\$37	\$54
13	202	232	273	311	194	196	200	24	32	38	56	81
14	189	217	255	291	187	189	193	22	29	35	51	74
15	206	237	278	317	185	187	191	24	32	38	56	81
16	175	201	236	270	188	190	194	21	28	34	49	71
17	215	247	290	331	191	193	197	25	33	40	59	85
18	163	187	220	251	167	169	172	19	25	30	44	64
24	151	174	204	233	148	149	152	18	24	29	42	61
25	191	220	258	294	176	178	181	22	29	35	51	74
26	246	283	332	379	160	162	165	29	39	46	68	98
31	192	221	259	296	168	170	173	23	31	37	54	78
32	155	178	209	239	157	159	162	18	24	29	42	61
33	192	221	259	296	144	145	148	23	31	37	54	78
40	236	271	319	363	194	196	200	28	37	45	66	95
41	196	225	265	302	177	179	182	23	31	37	54	78
43	189	217	255	291	151	153	156	22	29	35	51	74
47	188	216	254	290	150	152	155	22	29	35	51	74
51	153	176	207	236	178	180	183	18	24	29	42	61
52	206	237	278	317	198	200	204	24	32	38	56	81

* Including "clean risks" ceded to the North Carolina Reinsurance Facility.

See Premium Determination Rule for the definition of "clean risks".

CEDED BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1,000	\$2,000	\$5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	7	4	5	6	1	2	3	4	6
11	\$177	\$204	\$239	\$278	\$190	\$192	\$196	\$20	\$27	\$32	\$47	\$ 68
13	264	304	356	414	227	229	234	30	40	48	70	101
14	247	284	333	388	219	221	226	28	37	45	66	95
15	282	324	381	443	219	221	226	32	43	51	75	108
16	242	278	327	380	228	230	235	27	36	43	63	91
17	287	330	387	451	235	237	242	32	43	51	75	108
18	229	263	309	360	206	208	212	26	35	42	61	88
24	201	231	271	316	174	176	179	22	29	35	51	74
25	278	320	375	436	224	226	231	31	41	50	73	105
26	341	392	460	535	192	194	198	38	51	61	89	128
31	252	290	340	396	201	203	207	28	37	45	66	95
32	207	238	279	325	185	187	191	23	31	37	54	78
33	250	288	338	393	172	174	177	28	37	45	66	95
40	315	362	425	495	231	233	238	35	47	56	82	118
41	249	286	336	391	218	220	225	28	37	45	66	95
43	244	281	329	383	182	184	187	27	36	43	63	91
47	262	301	354	411	179	181	184	29	39	46	68	98
51	201	231	271	316	216	218	222	22	29	35	51	74
52	282	324	381	443	240	242	247	32	43	51	75	108

* Excluding "clean risks" as defined under the Premium Determination Rule.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 11**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	29	27	26	25	23	22	21	19	17	16	15	1	6
2	40	38	36	34	32	30	29	26	24	22	21	2	6
3	45	43	41	39	36	34	32	30	27	25	23	3	9
4	50	48	45	43	40	38	36	33	30	28	26	4	11
5	56	54	51	48	46	43	40	37	34	32	29	5	13
6	63	60	57	54	51	48	45	42	39	36	33	6	17
7	70	66	63	60	56	53	50	46	42	39	36	7	21
8	75	72	68	65	61	57	54	49	46	43	39	8	24
10	81	78	74	70	66	62	58	54	50	46	42	10	31
11	88	84	80	76	71	67	63	58	54	49	45	11	37
12	96	92	87	82	78	73	69	63	59	54	49	12	44
13	103	98	93	89	84	79	74	68	63	58	53	13	51
14	112	106	101	96	90	85	80	73	68	63	57	14	60
15	123	117	111	105	100	93	88	81	75	69	63	15	73
16	135	129	122	116	109	103	97	89	82	76	70	16	89
17	149	142	135	128	121	114	107	98	91	84	77	17	106
18	163	155	148	140	132	124	117	107	100	92	84	18	127
19	178	169	161	152	144	136	127	117	108	100	92	19	152
20	197	188	178	169	160	150	141	130	120	111	101	20	180
21	219	209	198	188	177	167	157	144	133	123	112	21	249
22	247	235	223	212	200	188	176	162	150	139	127		
23	277	263	250	237	224	211	198	182	169	155	142		
24	320	305	290	275	260	244	229	211	195	180	165		
25	394	375	357	338	319	300	282	259	240	222	203		
26	484	461	438	415	392	369	346	318	295	272	249		

(a) Refer to Personal Auto Manual Rule 12, for rating Symbol 27 vehicles.

(b) Refer to Rule 12, to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	172	165	157	148	140	131	118	108	99	90	80	1	39
2	196	187	178	168	159	148	135	123	112	101	92	2	47
3	228	217	206	194	185	172	157	144	131	118	107	3	58
4	247	236	224	211	200	187	170	155	142	127	116	4	65
5	264	251	237	226	213	198	180	165	150	135	123	5	77
6	277	264	251	237	224	208	191	174	159	142	129	6	84
7	288	275	262	247	234	217	198	181	165	148	135	7	92
8	301	286	271	258	243	226	206	189	172	155	140	8	110
10	320	305	290	275	260	241	219	202	183	165	150	10	127
11	337	320	303	288	271	252	230	211	193	172	157	11	138
12	346	329	312	295	281	260	237	217	198	178	161	12	153
13	359	342	325	309	292	271	247	226	206	185	168	13	165
14	383	365	346	329	310	288	262	241	219	196	180	14	183
15	402	383	365	346	325	303	277	252	230	208	187	15	198
16	419	398	378	359	338	314	286	264	239	215	194	16	219
17	434	413	393	372	352	327	297	273	249	223	202	17	232
18	458	436	413	393	370	344	314	288	262	236	213	18	252
19	477	454	432	410	387	359	327	299	273	245	223	19	267
20	494	469	445	423	398	370	338	310	282	254	230	20	282
21	512	488	464	439	415	385	352	322	294	264	239	21	322
22	540	514	488	464	438	406	370	340	309	279	252		
23	561	535	509	481	454	423	385	353	322	288	262		
24	587	559	531	503	475	441	402	368	335	301	275		
25	634	604	574	544	514	477	436	398	363	325	295		
26	688	655	623	589	557	518	471	432	393	353	322		

(a) Refer to Personal Auto Manual Rule 12, for rating Symbol 27 vehicles.

(b) Refer to Rule 12, to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	41	39	37	35	33	31	29	27	25	23	21	1	8
2	57	54	51	49	46	43	41	37	35	32	29	2	9
3	64	61	58	55	52	49	46	42	39	36	33	3	13
4	71	68	64	61	57	54	51	46	43	40	37	4	16
5	80	76	72	69	65	61	57	52	49	45	41	5	18
6	90	86	82	77	73	69	64	59	55	51	46	6	24
7	99	94	89	85	80	75	71	65	60	56	51	7	29
8	107	102	97	92	87	82	77	70	65	60	55	8	35
10	116	110	105	99	93	88	83	76	71	65	59	10	44
11	125	119	113	107	102	96	90	82	76	70	64	11	53
12	137	130	124	117	111	104	98	90	83	77	70	12	62
13	147	140	133	126	119	112	105	97	90	83	76	13	73
14	159	151	144	136	129	121	113	104	97	89	82	14	86
15	174	166	158	150	141	133	125	115	106	98	90	15	104
16	192	183	174	165	156	146	137	126	117	108	99	16	126
17	212	202	192	182	172	161	152	139	129	119	109	17	151
18	232	221	210	199	188	177	166	152	141	130	119	18	180
19	253	241	229	217	205	193	181	166	154	142	130	19	215
20	280	267	253	240	227	213	200	184	171	157	144	20	255
21	311	296	282	267	252	237	222	205	190	175	160	21	354
22	351	334	318	301	284	267	251	231	214	197	180		
23	393	374	355	337	318	299	281	258	240	221	202		
24	455	434	412	390	369	347	325	299	278	256	234		
25	560	534	507	480	454	427	400	368	341	315	288		
26	688	655	622	590	557	524	491	452	419	387	354		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	191	183	175	164	156	146	131	121	110	100	89	1	44
2	218	208	198	187	177	164	150	137	125	112	102	2	52
3	254	241	229	216	206	191	175	160	146	131	119	3	64
4	275	262	250	235	223	208	189	173	158	141	129	4	73
5	293	279	264	252	237	220	200	183	166	150	137	5	85
6	308	293	279	264	250	231	212	193	177	158	144	6	94
7	320	306	291	275	260	241	220	202	183	164	150	7	102
8	335	318	302	287	270	252	229	210	191	173	156	8	123
10	356	339	322	306	289	268	243	225	204	183	166	10	141
11	374	356	337	320	302	281	256	235	214	191	175	11	154
12	385	366	347	329	312	289	264	241	220	198	179	12	171
13	399	381	362	343	324	302	275	252	229	206	187	13	183
14	426	406	385	366	345	320	291	268	243	218	200	14	204
15	447	426	406	385	362	337	308	281	256	231	208	15	220
16	466	443	420	399	376	349	318	293	266	239	216	16	243
17	483	460	437	414	391	364	331	304	277	248	225	17	258
18	510	485	460	437	412	383	349	320	291	262	237	18	281
19	530	505	480	456	431	399	364	333	304	272	248	19	297
20	549	522	495	470	443	412	376	345	314	283	256	20	314
21	570	543	516	489	462	428	391	358	327	293	266	21	358
22	601	572	543	516	487	451	412	379	343	310	281		
23	624	595	566	535	505	470	428	393	358	320	291		
24	653	622	591	560	528	491	447	410	372	335	306		
25	705	672	639	605	572	530	485	443	404	362	329		
26	765	728	693	655	620	576	524	480	437	393	358		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	186	178	170	160	152	141	127	117	107	97	87	1	42
2	212	202	192	182	172	160	145	133	121	109	99	2	51
3	246	234	222	210	200	186	170	156	141	127	115	3	63
4	267	255	242	228	216	202	184	168	154	137	125	4	71
5	285	271	257	244	230	214	194	178	162	145	133	5	83
6	299	285	271	257	242	224	206	188	172	154	139	6	91
7	311	297	283	267	253	234	214	196	178	160	145	7	99
8	325	309	293	279	263	244	222	204	186	168	152	8	119
10	345	329	313	297	281	261	236	218	198	178	162	10	137
11	364	345	327	311	293	273	248	228	208	186	170	11	149
12	374	356	337	319	303	281	257	234	214	192	174	12	166
13	388	370	351	333	315	293	267	244	222	200	182	13	178
14	414	394	374	356	335	311	283	261	236	212	194	14	198
15	434	414	394	374	351	327	299	273	248	224	202	15	214
16	452	430	408	388	366	339	309	285	259	232	210	16	236
17	469	446	424	402	380	354	321	295	269	240	218	17	250
18	495	471	446	424	400	372	339	311	283	255	230	18	273
19	515	491	467	442	418	388	354	323	295	265	240	19	289
20	533	507	481	457	430	400	366	335	305	275	248	20	305
21	553	527	501	475	448	416	380	347	317	285	259	21	347
22	584	556	527	501	473	438	400	368	333	301	273		
23	606	578	549	519	491	457	416	382	347	311	283		
24	634	604	574	543	513	477	434	398	362	325	297		
25	685	652	620	588	556	515	471	430	392	351	319		
26	743	707	673	636	602	560	509	467	424	382	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12, for rating Symbol 27 vehicles.
 (b) Refer to Rule 12, to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	176	168	160	151	143	134	120	111	101	92	82	1	40
2	201	191	181	172	162	151	138	126	115	103	94	2	48
3	233	222	210	199	189	176	160	147	134	120	109	3	59
4	252	241	229	216	204	191	174	159	145	130	118	4	67
5	269	256	243	231	218	202	183	168	153	138	126	5	78
6	283	269	256	243	229	212	195	178	162	145	132	6	86
7	294	281	267	252	239	222	202	185	168	151	138	7	94
8	308	292	277	264	248	231	210	193	176	159	143	8	113
10	327	311	296	281	265	246	223	206	187	168	153	10	130
11	344	327	309	294	277	258	235	216	197	176	160	11	141
12	353	336	319	302	287	265	243	222	202	181	164	12	157
13	367	350	332	315	298	277	252	231	210	189	172	13	168
14	392	372	353	336	317	294	267	246	223	201	183	14	187
15	411	392	372	353	332	309	283	258	235	212	191	15	202
16	428	407	386	367	346	321	292	269	244	220	199	16	223
17	443	422	401	380	359	334	304	279	254	227	206	17	237
18	468	445	422	401	378	351	321	294	267	241	218	18	258
19	487	464	441	418	395	367	334	306	279	250	227	19	273
20	504	479	455	432	407	378	346	317	288	260	235	20	288
21	523	499	474	449	424	393	359	329	300	269	244	21	329
22	552	525	499	474	447	414	378	348	315	285	258		
23	573	546	520	491	464	432	393	361	329	294	267		
24	600	571	542	514	485	451	411	376	342	308	281		
25	647	617	586	556	525	487	445	407	371	332	302		
26	703	669	636	602	569	529	481	441	401	361	329		

(a) Refer to Personal Auto Manual Rule 12, for rating Symbol 27 vehicles.
 (b) Refer to Rule 12, to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	180	172	165	155	147	137	123	114	104	94	84	1	41
2	206	196	186	176	167	155	141	129	118	106	96	2	49
3	239	227	216	204	194	180	165	151	137	123	112	3	61
4	259	247	235	221	210	196	178	163	149	133	122	4	69
5	276	263	249	237	223	208	188	172	157	141	129	5	80
6	290	276	263	249	235	218	200	182	167	149	135	6	88
7	302	288	274	259	245	227	208	190	172	155	141	7	96
8	316	300	284	270	255	237	216	198	180	163	147	8	116
10	335	319	304	288	272	253	229	212	192	172	157	10	133
11	353	335	318	302	284	265	241	221	202	180	165	11	145
12	363	345	327	310	294	272	249	227	208	186	169	12	161
13	376	359	341	323	306	284	259	237	216	194	176	13	172
14	402	382	363	345	325	302	274	253	229	206	188	14	192
15	421	402	382	363	341	318	290	265	241	218	196	15	208
16	439	417	396	376	355	329	300	276	251	225	204	16	229
17	455	433	412	390	368	343	312	286	261	233	212	17	243
18	480	457	433	412	388	361	329	302	274	247	223	18	265
19	500	476	453	429	406	376	343	314	286	257	233	19	280
20	517	492	466	443	417	388	355	325	296	267	241	20	296
21	537	512	486	461	435	404	368	337	308	276	251	21	337
22	566	539	512	486	459	425	388	357	323	292	265		
23	588	561	533	504	476	443	404	370	337	302	274		
24	615	586	557	527	498	463	421	386	351	316	288		
25	664	633	602	570	539	500	457	417	380	341	310		
26	721	686	653	617	584	543	494	453	412	370	337		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	38	36	34	32	31	29	27	24	22	21	1	8
2	56	53	50	48	45	42	40	37	34	31	29	2	9
3	63	60	57	54	51	48	45	41	38	36	32	3	13
4	69	66	63	60	56	53	50	46	42	39	36	4	15
5	78	75	71	67	64	60	56	51	48	44	40	5	18
6	89	84	80	76	72	67	63	58	54	50	46	6	23
7	97	92	87	83	78	74	69	64	59	55	50	7	29
8	105	100	95	90	85	80	75	69	64	59	54	8	34
10	113	108	103	98	92	86	81	75	69	64	58	10	43
11	123	117	111	105	100	94	88	81	75	69	63	11	52
12	134	128	121	115	109	102	96	88	82	75	69	12	61
13	144	137	130	123	117	110	103	95	88	81	74	13	72
14	156	148	141	134	126	119	111	102	95	87	80	14	84
15	171	163	155	147	139	130	122	113	104	96	88	15	102
16	189	180	171	162	153	144	135	124	115	106	97	16	123
17	208	198	188	179	169	158	149	137	127	117	107	17	148
18	227	217	206	195	184	173	163	149	139	128	117	18	177
19	248	236	225	213	201	189	178	163	151	139	128	19	211
20	275	262	249	236	223	209	197	181	167	154	142	20	251
21	305	291	277	262	248	233	218	201	186	172	157	21	347
22	345	328	312	295	279	262	246	226	210	193	177		
23	386	367	349	331	312	294	276	253	235	217	198		
24	447	426	404	383	362	340	319	294	272	251	230		
25	550	524	498	471	445	419	393	361	335	309	283		
26	675	643	611	579	546	514	482	444	411	379	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	50	48	45	43	40	38	36	33	30	28	26	1	10
2	69	66	63	59	56	53	50	46	42	39	36	2	11
3	79	75	71	67	63	59	56	51	48	44	40	3	16
4	86	83	79	75	70	66	62	57	53	49	45	4	19
5	98	93	88	84	79	75	70	64	59	55	50	5	22
6	110	105	100	94	89	84	79	73	67	62	57	6	29
7	121	115	109	104	98	92	86	79	73	68	62	7	36
8	131	125	119	112	106	100	94	86	80	74	67	8	42
10	141	135	128	121	114	108	101	93	86	79	73	10	53
11	153	146	139	131	124	117	110	100	93	86	79	11	65
12	167	159	151	143	135	127	119	110	102	94	86	12	76
13	180	171	162	154	145	137	128	118	110	101	92	13	89
14	194	185	176	166	157	148	139	127	118	109	100	14	105
15	213	203	193	183	173	162	152	141	130	120	110	15	127
16	235	224	213	201	190	179	168	154	143	132	121	16	154
17	259	247	234	222	210	197	185	170	158	146	133	17	185
18	283	270	257	243	230	216	203	186	173	159	146	18	220
19	309	294	280	265	250	236	221	203	188	174	159	19	263
20	343	326	310	294	277	261	245	225	209	192	176	20	312
21	380	362	345	326	308	290	272	250	232	214	195	21	432
22	429	409	388	368	347	327	306	282	261	241	220		
23	480	457	434	412	389	366	343	315	293	270	247		
24	556	530	504	477	451	424	397	366	339	313	286		
25	684	652	620	587	554	521	489	450	417	385	352		
26	841	801	760	721	680	640	601	552	512	473	432		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	193	185	176	166	158	147	132	122	111	101	90	1	44
2	221	210	200	189	179	166	151	139	126	113	103	2	53
3	256	244	231	218	208	193	176	162	147	132	120	3	65
4	277	265	252	237	225	210	191	174	160	143	130	4	74
5	296	281	267	254	239	223	202	185	168	151	139	5	86
6	311	296	281	267	252	233	214	195	179	160	145	6	95
7	323	309	294	277	263	244	223	204	185	166	151	7	103
8	338	321	305	290	273	254	231	212	193	174	158	8	124
10	359	342	326	309	292	271	246	227	206	185	168	10	143
11	378	359	340	323	305	284	258	237	216	193	176	11	155
12	389	370	351	332	315	292	267	244	223	200	181	12	172
13	403	384	365	347	328	305	277	254	231	208	189	13	185
14	431	410	389	370	349	323	294	271	246	221	202	14	206
15	452	431	410	389	365	340	311	284	258	233	210	15	223
16	470	447	424	403	380	353	321	296	269	242	218	16	246
17	487	464	441	418	395	368	334	307	279	250	227	17	260
18	515	489	464	441	416	386	353	323	294	265	239	18	284
19	536	510	485	460	435	403	368	336	307	275	250	19	300
20	554	527	500	475	447	416	380	349	317	286	258	20	317
21	575	548	521	494	466	433	395	361	330	296	269	21	361
22	607	578	548	521	491	456	416	382	347	313	284		
23	630	601	571	540	510	475	433	397	361	323	294		
24	659	628	596	565	533	496	452	414	376	338	309		
25	712	678	645	611	578	536	489	447	407	365	332		
26	773	735	699	662	626	582	529	485	441	397	361		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	39	37	35	33	31	30	28	26	23	21	20	1	8
2	54	51	48	46	43	41	38	35	33	30	28	2	9
3	61	58	55	52	49	46	43	40	37	34	31	3	12
4	67	64	61	58	54	51	48	44	41	38	35	4	15
5	75	72	68	65	61	58	54	49	46	42	39	5	17
6	85	81	77	73	69	65	61	56	52	48	44	6	22
7	93	89	84	80	75	71	67	61	57	53	48	7	28
8	101	96	92	87	82	77	72	66	62	57	52	8	33
10	109	104	99	94	88	83	78	72	67	61	56	10	41
11	118	113	107	101	96	90	85	78	72	66	61	11	50
12	129	123	117	111	105	98	92	85	79	72	66	12	59
13	139	132	125	119	112	106	99	91	85	78	71	13	69
14	150	143	136	129	121	114	107	98	91	84	77	14	81
15	165	157	149	141	134	125	118	109	100	93	85	15	98
16	182	173	164	156	147	138	130	119	111	102	93	16	119
17	200	191	181	172	162	152	143	132	122	113	103	17	143
18	219	209	198	188	177	167	157	144	134	123	113	18	170
19	239	227	216	205	193	182	171	157	145	134	123	19	203
20	265	252	239	227	214	201	189	174	161	148	136	20	241
21	294	280	266	252	238	224	210	193	179	165	151	21	334
22	332	316	300	284	268	252	237	218	202	186	170		
23	371	353	336	318	300	283	265	244	226	209	191		
24	430	410	389	369	348	327	307	283	262	242	221		
25	529	504	479	453	428	403	378	348	322	297	272		
26	650	619	588	557	526	495	464	427	396	365	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	172	165	157	148	140	131	118	108	99	90	80	1	39
2	196	187	178	168	159	148	135	123	112	101	92	2	47
3	228	217	206	194	185	172	157	144	131	118	107	3	58
4	247	236	224	211	200	187	170	155	142	127	116	4	65
5	264	251	237	226	213	198	180	165	150	135	123	5	77
6	277	264	251	237	224	208	191	174	159	142	129	6	84
7	288	275	262	247	234	217	198	181	165	148	135	7	92
8	301	286	271	258	243	226	206	189	172	155	140	8	110
10	320	305	290	275	260	241	219	202	183	165	150	10	127
11	337	320	303	288	271	252	230	211	193	172	157	11	138
12	346	329	312	295	281	260	237	217	198	178	161	12	153
13	359	342	325	309	292	271	247	226	206	185	168	13	165
14	383	365	346	329	310	288	262	241	219	196	180	14	183
15	402	383	365	346	325	303	277	252	230	208	187	15	198
16	419	398	378	359	338	314	286	264	239	215	194	16	219
17	434	413	393	372	352	327	297	273	249	223	202	17	232
18	458	436	413	393	370	344	314	288	262	236	213	18	252
19	477	454	432	410	387	359	327	299	273	245	223	19	267
20	494	469	445	423	398	370	338	310	282	254	230	20	282
21	512	488	464	439	415	385	352	322	294	264	239	21	322
22	540	514	488	464	438	406	370	340	309	279	252		
23	561	535	509	481	454	423	385	353	322	288	262		
24	587	559	531	503	475	441	402	368	335	301	275		
25	634	604	574	544	514	477	436	398	363	325	295		
26	688	655	623	589	557	518	471	432	393	353	322		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	55	52	49	47	44	42	39	36	33	30	28	1	11
2	76	72	68	65	61	58	54	50	46	42	39	2	12
3	86	81	77	73	69	65	61	56	52	48	44	3	17
4	94	90	86	81	76	72	68	62	58	53	49	4	21
5	107	102	96	91	86	81	76	70	65	60	55	5	24
6	120	114	109	103	97	91	86	79	73	68	62	6	32
7	132	125	119	113	107	100	94	86	80	74	68	7	39
8	143	136	130	122	116	109	102	94	87	81	73	8	46
10	154	147	140	132	125	117	110	102	94	86	79	10	58
11	167	159	151	143	135	127	120	109	102	94	86	11	71
12	182	174	165	156	148	139	130	120	111	102	94	12	83
13	196	186	177	168	158	149	140	129	120	110	101	13	97
14	212	202	192	181	171	161	151	139	129	119	109	14	114
15	233	222	211	199	189	177	166	153	142	131	120	15	138
16	256	244	232	220	207	195	183	168	156	144	132	16	168
17	283	269	256	243	229	215	202	186	172	159	145	17	202
18	309	294	280	265	251	235	221	203	189	174	159	18	240
19	337	321	305	289	273	257	241	222	205	189	174	19	287
20	374	356	338	320	302	284	267	246	228	210	192	20	341
21	415	395	376	356	336	316	297	273	253	233	213	21	472
22	468	446	423	401	379	356	334	307	285	263	240		
23	524	499	474	449	424	399	374	344	320	294	269		
24	607	578	549	521	492	462	433	399	370	341	312		
25	747	711	676	640	605	569	534	491	455	420	384		
26	917	873	829	786	742	698	655	603	559	516	472		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	213	204	195	183	174	162	146	135	123	111	100	1	49
2	244	232	220	209	197	183	167	153	139	125	114	2	58
3	283	269	255	241	230	213	195	179	162	146	132	3	72
4	306	292	278	262	248	232	211	193	176	158	144	4	81
5	327	311	295	281	264	246	223	204	186	167	153	5	95
6	343	327	311	295	278	258	237	216	197	176	160	6	104
7	357	341	325	306	290	269	246	225	204	183	167	7	114
8	374	355	336	320	302	281	255	234	213	193	174	8	137
10	397	378	360	341	322	299	271	251	227	204	186	10	158
11	418	397	376	357	336	313	285	262	239	213	195	11	172
12	429	408	387	367	348	322	295	269	246	220	200	12	190
13	445	425	404	383	362	336	306	281	255	230	209	13	204
14	476	452	429	408	385	357	325	299	271	244	223	14	227
15	499	476	452	429	404	376	343	313	285	258	232	15	246
16	520	494	469	445	420	390	355	327	297	267	241	16	271
17	538	513	487	462	436	406	369	339	309	276	251	17	288
18	568	541	513	487	459	427	390	357	325	292	264	18	313
19	592	564	536	508	480	445	406	371	339	304	276	19	332
20	612	582	552	524	494	459	420	385	350	316	285	20	350
21	636	606	575	545	515	478	436	399	364	327	297	21	399
22	670	638	606	575	543	503	459	422	383	346	313		
23	696	664	631	596	564	524	478	438	399	357	325		
24	728	694	659	624	589	548	499	457	415	374	341		
25	786	749	712	675	638	592	541	494	450	404	367		
26	854	812	773	731	691	643	585	536	487	438	399		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	218	209	199	187	178	166	149	137	126	114	102	1	50
2	249	237	225	213	201	187	171	156	142	128	116	2	59
3	289	275	261	246	235	218	199	182	166	149	135	3	73
4	313	299	284	268	254	237	216	197	180	161	147	4	83
5	334	318	301	287	270	251	228	209	190	171	156	5	97
6	351	334	318	301	284	263	242	220	201	180	164	6	107
7	365	348	332	313	296	275	251	230	209	187	171	7	116
8	382	363	344	327	308	287	261	239	218	197	178	8	140
10	405	386	367	348	329	306	277	256	232	209	190	10	161
11	427	405	384	365	344	320	292	268	244	218	199	11	175
12	438	417	396	374	356	329	301	275	251	225	204	12	194
13	455	434	412	391	370	344	313	287	261	235	213	13	209
14	486	462	438	417	393	365	332	306	277	249	228	14	232
15	510	486	462	438	412	384	351	320	292	263	237	15	251
16	531	505	479	455	429	398	363	334	303	273	246	16	277
17	550	524	498	472	446	415	377	346	315	282	256	17	294
18	581	552	524	498	469	436	398	365	332	299	270	18	320
19	604	576	547	519	491	455	415	379	346	310	282	19	339
20	626	595	564	536	505	469	429	393	358	322	292	20	358
21	649	619	588	557	526	488	446	408	372	334	303	21	408
22	685	652	619	588	555	514	469	431	391	353	320		
23	711	678	645	609	576	536	488	448	408	365	332		
24	744	709	673	638	602	559	510	467	424	382	348		
25	803	766	728	690	652	604	552	505	460	412	374		
26	872	830	789	747	706	656	597	547	498	448	408		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
 (b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	178	171	163	153	146	136	122	113	103	93	83	1	41
2	204	194	184	175	165	153	140	128	116	105	95	2	49
3	237	225	213	202	192	178	163	149	136	122	111	3	60
4	256	244	233	219	208	194	177	161	147	132	120	4	68
5	274	260	246	235	221	206	186	171	155	140	128	5	80
6	287	274	260	246	233	215	198	180	165	147	134	6	87
7	299	285	272	256	243	225	206	188	171	153	140	7	95
8	312	297	281	268	252	235	213	196	178	161	146	8	114
10	332	316	301	285	270	250	227	210	190	171	155	10	132
11	349	332	314	299	281	262	239	219	200	178	163	11	144
12	359	341	324	307	291	270	246	225	206	184	167	12	159
13	372	355	338	320	303	281	256	235	213	192	175	13	171
14	398	378	359	341	322	299	272	250	227	204	186	14	190
15	417	398	378	359	338	314	287	262	239	215	194	15	206
16	435	413	392	372	351	326	297	274	248	223	202	16	227
17	450	429	407	386	365	340	308	283	258	231	210	17	241
18	475	452	429	407	384	357	326	299	272	244	221	18	262
19	495	471	448	425	402	372	340	310	283	254	231	19	277
20	512	487	462	438	413	384	351	322	293	264	239	20	293
21	532	506	481	456	431	400	365	334	305	274	248	21	334
22	561	534	506	481	454	421	384	353	320	289	262		
23	582	555	528	499	471	438	400	367	334	299	272		
24	609	580	551	522	493	458	417	382	347	312	285		
25	658	627	596	565	534	495	452	413	376	338	307		
26	714	679	646	611	578	537	489	448	407	367	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
 (b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	28	27	25	24	23	21	20	18	16	15	1	6
2	41	39	37	35	33	31	29	27	25	23	21	2	7
3	46	44	42	40	37	35	33	30	28	26	24	3	9
4	51	49	46	44	41	39	37	34	31	29	27	4	11
5	58	55	52	50	47	44	41	38	35	32	30	5	13
6	65	62	59	56	53	50	46	43	40	37	34	6	17
7	71	68	64	61	58	54	51	47	43	40	37	7	21
8	77	74	70	66	63	59	55	51	47	44	40	8	25
10	83	80	76	72	67	64	60	55	51	47	43	10	32
11	90	86	82	78	73	69	65	59	55	51	46	11	38
12	99	94	89	85	80	75	71	65	60	55	51	12	45
13	106	101	96	91	86	81	76	70	65	60	55	13	53
14	115	109	104	98	93	87	82	75	70	64	59	14	62
15	126	120	114	108	102	96	90	83	77	71	65	15	75
16	139	132	126	119	112	106	99	91	85	78	71	16	91
17	153	146	138	131	124	117	110	101	93	86	79	17	109
18	167	160	152	144	136	128	120	110	102	94	86	18	130
19	183	174	165	156	148	139	131	120	111	103	94	19	156
20	202	193	183	174	164	154	145	133	123	113	104	20	184
21	225	214	204	193	182	171	161	148	137	126	115	21	255
22	254	241	229	217	205	193	181	167	154	142	130		
23	284	270	257	243	230	216	203	186	173	160	146		
24	329	313	298	282	266	250	235	216	200	185	169		
25	404	385	366	347	328	308	289	266	246	227	208		
26	497	473	449	426	402	378	355	326	303	279	255		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	166	158	151	142	135	126	113	104	95	86	77	1	38
2	189	180	171	162	153	142	130	119	108	97	88	2	45
3	220	209	198	187	178	166	151	139	126	113	103	3	56
4	238	227	216	203	193	180	164	149	137	122	112	4	63
5	254	241	229	218	205	191	173	158	144	130	119	5	74
6	266	254	241	229	216	200	184	167	153	137	124	6	81
7	277	265	252	238	225	209	191	175	158	142	130	7	88
8	290	275	261	248	234	218	198	182	166	149	135	8	106
10	308	293	279	265	250	232	211	194	176	158	144	10	122
11	324	308	292	277	261	243	221	203	185	166	151	11	133
12	333	317	301	284	270	250	229	209	191	171	155	12	148
13	346	329	313	297	281	261	238	218	198	178	162	13	158
14	369	351	333	317	299	277	252	232	211	189	173	14	176
15	387	369	351	333	313	292	266	243	221	200	180	15	191
16	403	383	364	346	326	302	275	254	230	207	187	16	211
17	418	398	378	358	338	315	286	263	239	214	194	17	223
18	441	419	398	378	356	331	302	277	252	227	205	18	243
19	459	437	416	394	373	346	315	288	263	236	214	19	257
20	475	452	428	407	383	356	326	299	272	245	221	20	272
21	493	470	446	423	400	371	338	310	283	254	230	21	310
22	520	495	470	446	421	391	356	328	297	268	243		
23	540	515	490	463	437	407	371	340	310	277	252		
24	565	538	511	484	457	425	387	355	322	290	265		
25	610	581	553	524	495	459	419	383	349	313	284		
26	662	630	599	567	536	499	454	416	378	340	310		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	36	35	33	31	29	28	26	24	22	20	19	1	7
2	50	48	46	43	41	38	36	33	31	28	26	2	8
3	57	54	51	49	46	43	41	37	35	32	29	3	12
4	63	60	57	54	51	48	45	41	38	36	33	4	14
5	71	68	64	61	58	54	51	47	43	40	36	5	16
6	80	76	72	69	65	61	57	53	49	45	41	6	21
7	88	84	79	75	71	67	63	58	53	49	45	7	26
8	95	91	86	82	77	72	68	62	58	54	49	8	31
10	103	98	93	88	83	78	73	68	63	58	53	10	39
11	111	106	101	96	90	85	80	73	68	62	57	11	47
12	121	116	110	104	98	93	87	80	74	68	62	12	55
13	131	124	118	112	106	99	93	86	80	73	67	13	65
14	141	134	128	121	114	108	101	93	86	79	72	14	76
15	155	148	141	133	126	118	111	102	95	87	80	15	92
16	171	163	155	146	138	130	122	112	104	96	88	16	112
17	189	180	170	162	153	144	135	124	115	106	97	17	134
18	206	196	187	177	167	157	147	135	126	116	106	18	160
19	225	214	204	192	182	171	161	148	137	126	116	19	192
20	249	237	225	214	202	190	178	164	152	140	128	20	227
21	276	264	251	237	224	211	198	182	168	156	142	21	314
22	312	297	282	267	252	238	223	205	190	175	160		
23	349	333	316	300	283	266	250	229	213	196	180		
24	405	385	366	347	328	308	289	266	247	228	208		
25	498	474	451	427	403	379	356	327	303	280	256		
26	612	582	553	524	495	466	437	402	372	344	314		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990- 1998	Symbol (b)	1989 & prior
1	189	180	172	162	154	144	129	119	109	98	88	1	43
2	215	205	195	185	174	162	148	135	123	111	100	2	51
3	250	238	226	213	203	189	172	158	144	129	117	3	64
4	271	258	246	232	219	205	187	170	156	139	127	4	72
5	289	275	260	248	234	217	197	180	164	148	135	5	84
6	303	289	275	260	246	228	209	191	174	156	141	6	92
7	316	301	287	271	256	238	217	199	180	162	148	7	100
8	330	314	297	283	267	248	226	207	189	170	154	8	121
10	351	334	318	301	285	264	240	221	201	180	164	10	139
11	369	351	332	316	297	277	252	232	211	189	172	11	152
12	379	361	342	324	308	285	260	238	217	195	176	12	168
13	394	375	357	338	320	297	271	248	226	203	185	13	180
14	420	400	379	361	340	316	287	264	240	215	197	14	201
15	441	420	400	379	357	332	303	277	252	228	205	15	217
16	459	437	414	394	371	344	314	289	262	236	213	16	240
17	476	453	431	408	385	359	326	299	273	244	221	17	254
18	502	478	453	431	406	377	344	316	287	258	234	18	277
19	523	498	474	449	424	394	359	328	299	269	244	19	293
20	541	515	488	463	437	406	371	340	310	279	252	20	310
21	562	535	508	482	455	422	385	353	322	289	262	21	353
22	592	564	535	508	480	445	406	373	338	305	277		
23	615	586	558	527	498	463	422	387	353	316	287		
24	644	613	582	551	521	484	441	404	367	330	301		
25	695	662	629	597	564	523	478	437	398	357	324		
26	754	718	683	646	611	568	517	474	431	387	353		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.

(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

Territory	Territory				
ALAMANCE COUNTY – See Burlington-Graham and Remainder of State.	CHOWAN COUNTY territory comprises all territory in Chowan County..... 33				
ASHEVILLE territory comprises the entire city of Asheville and all territory in Buncombe County included in the townships of Asheville, Limestone and Lower Hominy, including all of the following towns, cities or places..... 11	COLUMBUS COUNTY territory comprises all territory in Columbus County..... 26				
Acton	Buena Vista	Luthers	CONCORD-KANNAPOLIS-SALISBURY territory comprises the entire cities of Concord, Kannapolis and Salisbury, all territory in Cabarrus County included in Townships 1 (Rocky River), 2 (Poplar Tent), 4 (Kannapolis), 5 (Mount Gilead), 11 (Baptist Church) and 12 (Concord), and all territory in Rowan County included in the townships of China Grove, Franklin, Litaka and Salisbury, including all of the following towns, cities or places..... 32		
Arden	Busbee	New Bridge	Brown-	Franklin	Roberta Mills
Asheville	Craggy	Oakley	Norcott Mills	Glass	Rocky Ridge
School	Emma	Oteen	China Grove	Harrisburg	Rocky River
Biltmore	Enka	Shiloh	Cooks	Jackson Park	South River
Forest	Haw Creek	Skyland	Crossing	Landis	Spencer
Boswell	Hominy	Woodfin	East Spencer	Majolica	Yadkin
BEAUFORT COUNTY territory comprises all territory in Beaufort County..... 33			Faggarts	Mount Gilead	Junction
BERTIE COUNTY territory comprises all territory in Bertie County..... 33			Crossroads	Pharrs Mills	Yost
BLADEN COUNTY territory comprises all territory in Bladen County..... 33			Faith	Pioneer Mills	
BRUNSWICK COUNTY territory comprises all territory in Brunswick County not included in Wilmington territory..... 26			GRAVEN COUNTY territory comprises all territory in Craven County..... 43		
BUNCOMBE COUNTY territory comprises all territory in Buncombe County not included in Asheville territory..... 32			CUMBERLAND COUNTY territory comprises all territory in Cumberland County not included in Fayetteville territory..... 26		
BURLINGTON-GRAHAM territory comprises the entire city of Burlington, the entire town of Graham, all territory in Alamance County included in Townships 3 (Boon Station), 6 (Graham), 10 (Melville), 12 (Burlington) and 13 (Haw River), the entire town of Mebane in Alamance and Orange Counties, and including all of the following towns, cities or places..... 32			CURRITUCK COUNTY territory comprises all territory in Currituck County..... 33		
Elon College	Kirkpatrick	Richmond	DARE COUNTY territory comprises all territory in Dare County..... 33		
Gibsonville	Heights	Hill	DAVIDSON COUNTY – see Lexington-Thomasville and Remainder of State.		
Glen Raven	Lake Latham		DUPLIN COUNTY territory comprises all territory in Duplin County..... 33		
Haw River	Ossipee		DURHAM territory comprises the entire city of Durham and all territory in Durham County included in the townships of Durham, Oak Grove and Patterson, including all of the following towns, cities, or places..... 13		
CABARRUS COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.			Bethesda	Gorman	North Durham
CAMDEN COUNTY territory comprises all territory in Camden County..... 33			Bilboa	Hope Valley	Oak Grove
CARTERET COUNTY territory comprises all territory in Carteret County..... 33			Few	Joyland	Redwood
CHARLOTTE territory comprises the entire city of Charlotte and all areas in Mecklenburg County except those areas with U.S. Postal Zip Codes 28025, 28026, 28031, 28036, 28075, 28078 and 28115..... 52			DURHAM COUNTY territory comprises all territory in Durham County not included in Durham territory..... 32		
			EDGECOMBE COUNTY territory comprises all territory in Edgecombe County not included in Rocky Mount territory..... 33		

NOTE: Refer to an atlas or map for places not listed.

Territory	Territory
FAYETTEVILLE territory comprises the entire city of Fayetteville, all territory in the Fort Bragg and Pope Air Force Base Military Reservations in Cumberland County, and all territory in Cumberland County included in the townships of Carvers Creek, Cross Creek, Eastover, Manchester, Pearces Mill, Rockfish and Seventy First, including all of the following towns, cities or places.....40	HERTFORD COUNTY territory comprises all territory in Hertford County..... 33
Beard	
Bonnie Doone	
Cliffdale	
Cumberland	
Fenix	
Gardners	
Chapel	
Hope Mills	
Lakedale	
Linden	
Manchester	
Milan	
Myrtle Hill	
Owens	
Roslin	
Shaws	
Slocomb	
South	
Fayetteville	
Spring Lake	
Tokay	
Victory	
Wade	
FORSYTH COUNTY territory comprises all territory in Forsyth County not included in Winston-Salem territory.....32	HIGH POINT territory comprises the entire city of High Point, the town of Westend, and all territory in Guilford County included in High Point township..... 15
FRANKLIN COUNTY territory comprises all territory in Franklin County.....33	HOKE COUNTY territory comprises all territory in Hoke County 26
GASTON COUNTY territory comprises all territory in Gaston County.....25	HYDE COUNTY territory comprises all territory in Hyde County 33
GATES COUNTY territory comprises all territory in Gates County.....33	JOHNSTON COUNTY territory comprises all territory in Johnston County 26
GREENE COUNTY territory comprises all territory in Greene County.....33	JONES COUNTY territory comprises all territory in Jones County 33
GREENSBORO-HAMILTON LAKES territory comprises the entire city of Greensboro, the entire town of Hamilton Lakes and all territory in Guilford County included in the townships of Morehead and Gilmer, including all of the following towns, cities and places 14	KINSTON territory comprises the entire city of Kinston and all territory in Lenoir County included in Kinston townships, including the following towns, cities or places..... 31
Battle Ground	
Bessemer	
Four Mile	
Hamtown	
Hill Top	
Pomona	
GREENVILLE territory comprises the entire town of Greenville and all territory in Pitt County included in Greenville townships, including the following towns, cities or places.....31	Georgetown
House	
James Mill	
Staton	
GUILFORD COUNTY territory comprises all territory in Guilford County not included in either Greensboro-Hamilton Lakes territory or High Point territory.....32	Hines Junction
HALIFAX COUNTY territory comprises all territory in Halifax County.....33	LEE COUNTY territory comprises all territory in Lee County..... 26
HARNETT COUNTY territory comprises all territory in Harnett County.....26	LENOIR COUNTY territory comprises all territory in Lenoir County not included in Kinston territory..... 33
	LEXINGTON-THOMASVILLE territory comprises the entire cities of Lexington and Thomasville, all territory in Davidson County included in the townships of Lexington and Thomasville, and all territory in Randolph County included in Trinity township, including all of the following towns, cities or places 32
	Archdale
	Arnold
	Cedar Lodge
	Fraziers
	Glen Anna
	Lake
	Trinity
	Welcome
	MARTIN COUNTY territory comprises all territory in Martin County..... 33
	MECKLENBURG COUNTY territory comprises all territory in Mecklenburg County not included in Charlotte territory 51
	NASH COUNTY territory comprises all territory in Nash County not included in Rocky Mount territory 33
	NEW HANOVER COUNTY – see Wilmington.
	NORTHAMPTON COUNTY territory comprises all territory in Northampton County 33

NOTE: Refer to an atlas or map for places not listed.

	Territory		Territory	
ONSLow COUNTY territory comprises all territory in Onslow County.....	41	ROWAN COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.		
ORANGE COUNTY – see Burlington-Graham and Remainder of State.		SAMPSON COUNTY territory comprises all territory in Sampson County.....	33	
PAMLICO COUNTY territory comprises all territory in Pamlico County.....	33	SCOTLAND COUNTY territory comprises all territory in Scotland County.....	26	
PASQUOTANK COUNTY territory comprises all territory in Pasquotank County.....	33	TYRRELL COUNTY territory comprises all territory in Tyrrell County.....	33	
PENDER COUNTY territory comprises all territory in Pender County.....	33	VANCE COUNTY territory comprises all territory in Vance County.....	33	
PERQUIMANS COUNTY territory comprises all territory in Perquimans County.....	33	WAKE COUNTY territory comprises all territory in Wake County not included in Raleigh territory.....	31	
PITT COUNTY territory comprises all territory in Pitt County not included in Greenville territory.....	33	WARREN COUNTY territory comprises all territory in Warren County.....	33	
RALEIGH territory comprises the entire city of Raleigh, all territory in Wake County included in the townships of Cary, House Creek, Meredith, Neuse River, Raleigh, St. Mary's, St. Matthews and Swift Creek and the entire town of Knightdale in St. Matthews and Marks Creek townships, including all of the following towns, cities or places.....	16	WASHINGTON COUNTY territory comprises all territory in Washington County.....	33	
Asbury	College View	Milbrook		
Auburn	Edgeton	Neuse		
Boushell	Fetner	Oakdale		
Camp Polk	Garner	South		
Caraleigh	Macedonia	Raleigh		
Carolina	McCullers	Westover		
Pines	Method	Wilders		
Cary	Milburnie	Grove		
RANDOLPH COUNTY – see Lexington-Thomasville and Remainder of State.		WILMINGTON territory comprises all of New Hanover County and in addition the following towns, cities or places.....	17	
ROBESON COUNTY territory comprises all territory in Robeson County.....	26	Belville	Lanvale	Navassa
ROCKY MOUNT territory comprises the entire city of Rocky Mount, all territory in Nash County included in Rocky Mount and Stony Creek townships, all territory in Edgecombe County included in Township 12 (Rocky Mount), and the entire town of Sharpsburg in Edgecombe, Nash and Wilson Counties, including all of the following towns, cities or places.....	31	Clairmont	Leland	Woodburn
Armstrong	Dortches	El Paso		
Brake		WILSON territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson.....	31	
		WILSON COUNTY territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories.....	33	
		WINSTON-SALEM territory comprises the entire city of Winston-Salem and all territory in Forsyth County included in the townships of Broadbay, Middle Fork, Old Town, South Fork and Winston, including all of the following towns, cities or places.....	18	
		Alspaugh	Frontis	Reynolda
		Atwood	Hanes	Tiretown
		Daisy	Ogburntown	Walkertown
		Fisherville	Oldtown	
		REMAINDER OF STATE	24	

NOTE: Refer to an atlas or map for places not listed.

LIST OF IMPORTANT CITIES AND TOWNS

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
A					
Abbey, Gaston	25	Bakersville, Mitchell.....	24	Brown-Norcott Mills, Cabarrus.....	32
Aberdeen, Moore	24	Balfours, Randolph.....	24	Bryson City, Swain	24
Acton, Buncombe.....	11	Bannertown, Surry	24	Buena Vista, Buncombe	11
Ahoskie, Hertford	33	Barker Heights, Henderson.....	24	Burgaw, Pender.....	33
Alamance, Alamance	24	Barnardsville, Buncombe	32	Burlington, Alamance	32
Albermarie, Stanly.....	24	Battle Ground, Guilford.....	14	Burnsville, Yancey	24
Alexander, Buncombe.....	32	Bayboro, Pamlico	33	Busbee, Buncombe	11
Alexanders Store, Mecklenburg.....	52	Beard, Cumberland.....	40	C	
Alexis, Gaston.....	25	Beattie, Gaston	25	Camden, Camden	33
Alspaugh, Forsyth.....	18	Beaufort, Carteret.....	33	Camp LeJeune, Onslow	41
Altamahaw, Alamance	24	Belhaven, Beaufort.....	33	Camp Polk, Wake.....	16
Andrews, Cherokee	24	Belmont, Gaston	25	Candler, Buncombe.....	32
Angier, Harnett.....	26	Belmont, Halifax	33	Canton, Haywood.....	24
Apex, Wake	31	Belville, Brunswick	17	Caraleigh, Wake.....	16
Archdale, Randolph	32	Benson, Johnston	26	Caroleen, Rutherford.....	24
Arden, Buncombe	11	Bessemer, Guilford	14	Carolina Beach, New Hanover	17
Arlington, Gaston	25	Bessemer City, Gaston	25	Carolina Pines, Wake	16
Armstrong, Edgecombe	31	Bethel, Pitt.....	33	Carrboro, Orange	24
Arnold, Davidson.....	32	Bethesda, Durham	13	Carson, Mecklenburg	52
Asbury, Wake	16	Bilboa, Durham	13	Carthage, Moore.....	24
Asheboro, Randolph	24	Biltmore Forest, Buncombe.....	11	Cary, Wake.....	16
Asheville, Buncombe	11	Biscoe, Montgomery.....	24	Castalia, Nash	33
Asheville School, Buncombe	11	Black Mountain, Buncombe.....	32	Cedar Falls, Randolph	24
Atwood, Forsyth.....	18	Boger City, Lincoln	24	Cedar Lodge, Davidson.....	32
Auburn, Wake	16	Boiling Springs, Cleveland	24	Chadborn, Columbus.....	26
Aulander, Bertie	33	Bonnie Doone, Cumberland	40	Chadwick-Hoskins Mills, Mecklenburg.....	52
Ayden, Pitt	33	Boogertown, Gaston	25	Chapel Hill, Orange	24
B					
Badin, Stanly.....	24	Boone, Watauga	24	Charlotte, Mecklenburg	52
Bailey, Nash.....	33	Boswell, Buncombe.....	11	Cherry Point, Craven	43
		Boushell, Wake	16		
		Brake, Edgecombe.....	31		
		Brevard, Transylvania	24		

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
C					
Cherryville, Gaston	25	Dellview, Gaston	25	Faith, Rowan	32
China Grove, Rowan.....	32	Denton, Davidson.....	24	Farmville, Pitt.....	33
Clairmont, Brunswick.....	17	Derita, Mecklenburg.....	52	Fayetteville, Cumberland.....	40
Clayton, Johnston	26	Dobson, Surry	24	Fenix, Cumberland	40
Cleveland, Rowan.....	24	Dortches, Nash	31	Fetner, Wake	16
Cliffdale, Cumberland	40	Draper, Rockingham	24	Few, Durham	13
Cliffside, Rutherford	24	Duke Power Village, Gaston	25	Fisherville, Forsyth	18
Clinchfield, McDowell.....	24	Dunn, Harnett.....	26	Forest City, Rutherford	24
Clinton, Sampson.....	33	Durham, Durham.....	13	Fort Bragg, Cumberland	40
Coats, Harnett.....	26	E		Fountain, Pitt	33
Coleridge, Randolph	24	East Gastonia, Gaston	25	Four Mile, Guilford	14
College View, Wake.....	16	East Spencer, Rowan.....	32	Franklin, Macon.....	24
Columbia, Tyrrell.....	33	East Wilmington, New Hanover.....	17	Franklin, Rowan.....	32
Columbus, Polk.....	24	Edenton, Chowan.....	33	Franklinton, Franklin	33
Concord, Cabarrus.....	32	Edgeton, Wake.....	16	Franklinville, Randolph	24
Conover, Catawba	24	Elizabeth City, Pasquotank	33	Fraziers, Randolph	32
Convent, Gaston.....	25	Elizabethtown, Bladen.....	33	Freeland, Brunswick	26
Cooks Crossing, Cabarrus.....	32	Elkin, Surry.....	24	Fremont, Wayne	47
Cooleemee, Davie	24	Eller, Davidson	24	Frontis, Forsyth.....	18
Cornelius, Mecklenburg	51	Elm City, Wilson	33	Fuquay Springs, Wake	31
Craggy, Buncombe	11	Elon College, Alamance	32	G	
Cramerton, Gaston	25	El Paso, Brunswick	17	Gardners Chapel, Cumberland.....	40
Croft, Mecklenburg.....	52	Emma, Buncombe.....	11	Garner, Wake	16
Cross Road, Surry	24	Enfield, Halifax	33	Gaston, Northampton	33
Crowders, Gaston.....	25	Enka, Buncombe.....	11	Gastonia, Gaston.....	25
Cumberland, Cumberland.....	40	Erwin, Harnett	26	Gatesville, Gates	33
Currituck, Currituck	33	F		Georgetown, Lenoir	31
D		Faggarts Crossroads, Cabarrus	32	Gibsonville, Guilford & Alamance	32
Daisy, Forsyth.....	18	Fair Bluff, Columbus.....	26	Glass, Cabarrus.....	32
Dallas, Gaston	25	Fairmont, Robeson.....	26		
Danbury, Stokes	24				
Davidson, Mecklenburg	51				

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
G					
Glen Anna, Davidson	32	Hertford, Perquimans	33	Kings Mountain, Cleveland	24
Glen Raven, Alamance	32	Hickory, Catawba	24	Kinston, Lenoir	31
Goldsboro, Wayne	47	Hickory Grove, Mecklenburg	52	Kirkpatrick Heights, Alamance	32
Gorman, Durham	13	High Point, Guilford	15	Knightdale, Wake	16
Goshen, Gaston	25	High Shoals, Gaston	25	L	
Graham, Alamance	32	Hillsboro, Orange	24	La Grange, Lenoir	33
Granite Falls, Caldwell	24	Hill Top, Guilford	14	Lake, Davidson	32
Granite Quarry, Rowan	24	Hines Junction, Lenoir	31	Lakedale, Cumberland	40
Greenleaf, Wayne	47	Holly Ridge, Onslow	41	Lake Latham Alamance	32
Greensboro, Guilford	14	Holly Springs, Wake	31	Landis, Rowan	32
Greenville, Pitt	31	Homestead, Mecklenburg	52	Lanvale, Brunswick	17
Griffith, Mecklenburg	52	Hominy, Buncombe	11	Laurinburg, Scotland	26
Grifton, Pitt	33	Hope Mills, Cumberland	40	Leaksville, Rockingham	24
Grimesland, Pitt	33	Hope Valley, Durham	13	Leicester, Buncombe	32
Grovermont, Buncombe	32	House, Pitt	31	Leland, Brunswick	17
Groves, Gaston	25	Huntersville, Mecklenburg	51	Lenoir, Caldwell	24
Guilford, Guilford	32	Hutchinson, Mecklenburg	52	Lewisville, Forsyth	32
Guilford College, Guilford	32	J		Lexington, Davidson	32
H					
Hahn, Mecklenburg	52	Jackson, Northampton	33	Liberty, Randolph	24
Halifax, Halifax	33	Jackson Park, Cabarrus	32	Lillington, Harnett	26
Hamilton Lakes, Guilford	14	Jacksons Creek, Randolph	24	Lincolnton, Lincoln	24
Hamlet, Richmond	24	Jacksonville, Onslow	41	Linden, Cumberland	40
Hamtown, Guilford	14	James Mill, Pitt	31	Littleton, Halifax & Warren	33
Hanes, Forsyth	18	Jamestown, Guilford	32	Longhurst, Person	24
Hardins, Gaston	25	Jefferson, Ashe	24	Longview, Catawba	24
Harkers Island, Carteret	33	Jonesville, Yadkin	24	Longwood Park, Richmond	24
Harrisburg, Cabarrus	32	Joyland, Durham	13	Louisburg, Franklin	33
Haw Creek, Buncombe	11	Juno, Buncombe	32	Lowell, Gaston	25
Haw River, Alamance	32	Jupiter, Buncombe	32	Lucama, Wilson	33
Hayesville, Clay	24	K		Lucia, Gaston	25
Hazelwood, Haywood	24	Kannapolis, Cabarrus & Rowan	32	Lumberton, Robeson	26
Henderson, Vance	33	Kenly, Johnston	26	Luthers, Buncombe	11
Hendersonville, Henderson	24	Kernersville, Forsyth	32		

NOTE: Refer to an atlas or map for places not listed.

PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
M					
McAdenville, Gaston.....	25	Mount Olive, Wayne.....	47	Paw Creek, Mecklenburg.....	52
McCullers, Wake.....	16	Mount Pleasant, Cabarrus.....	24	Pembroke, Robeson.....	26
Macclesfield, Edgecombe.....	33	Mount View, Gaston.....	25	Pharris Mill, Cabarrus.....	32
Macedonia, Wake.....	16	Murfreesboro, Hertford.....	33	Phillipsville, Haywood.....	24
Madison, Rockingham.....	24	Murphy, Cherokee.....	24	Pikeville, Wayne.....	47
Maiden, Catawba.....	24	Myrtle Hill, Cumberland.....	40	Pilot Mountain, Surry.....	24
Majolica, Rowan.....	32	N			
Manchester, Cumberland.....	40	Nashville, Nash.....	33	Pinehurst, Moore.....	24
Marion, McDowell.....	24	Navassa, Brunswick.....	17	Pinetops, Edgecombe.....	33
Marshall, Madison.....	24	Neuse, Wake.....	16	Pineville, Mecklenburg.....	52
Mars Hill, Madison.....	24	New Bern, Craven.....	43	Pinkney, Gaston.....	25
Marshville, Union.....	24	New Bridge, Buncombe.....	11	Pinoca, Mecklenburg.....	52
Matthews, Mecklenburg.....	52	Newel, Mecklenburg.....	52	Pioneer Mills, Cabarrus.....	32
Maxton, Robeson.....	26	Newfound, Buncombe.....	32	Pittsboro, Chatham.....	24
Mayodan, Rockingham.....	24	Newland, Avery.....	24	Pleasant Garden, Guilford.....	32
Mebane, Alamance & Orange.....	32	New Leaksville, Rockingham.....	24	Plymouth, Washington.....	33
Method, Wake.....	16	Newton, Catawba.....	24	Pomona, Guilford.....	14
Middlesex, Nash.....	33	North Belmont, Gaston.....	25	Pope Air Force Base, Cumberland.....	40
Midway Park, Onslow.....	41	North Durham, Durham.....	13	R	
Milan, Cumberland.....	40	North Wilkesboro, Wilkes.....	24	Raeford, Hoke.....	26
Milburnie, Wake.....	16	Norwood, Stanly.....	24	Ragan, Gaston.....	25
Millbrook, Wake.....	16	O			
Mocksville, Davie.....	24	Oakdale, Wake.....	16	Raleigh, Wake.....	16
Monroe, Union.....	24	Oak Grove, Durham.....	13	Ramseur, Randolph.....	24
Montreat, Buncombe.....	32	Oakhurst, Mecklenburg.....	52	Randleman, Randolph.....	24
Mooreville, Iredell.....	24	Oakley, Buncombe.....	11	Ranlo, Gaston.....	25
Morehead City, Carteret.....	33	Oak Ridge, Guilford.....	32	Red Springs, Robeson.....	26
Morganton, Burke.....	24	Ogburntown, Forsyth.....	18	Redwood, Durham.....	13
Morrisville, Wake.....	31	Oldtown, Forsyth.....	18	Reidsville, Rockingham.....	24
Mountain Island, Gaston.....	25	Ossipee, Alamance.....	32	Reynolda, Forsyth.....	18
Mount Airy, Surry.....	24	Oteen, Buncombe.....	11	Richmond Hill, Alamance.....	32
Mount Gilead, Cabarrus.....	32	Owens, Cumberland.....	40	Ridge, Gaston.....	25
Mount Gilead, Montgomery.....	24	Oxford, Grantville.....	24	Ridgecrest, Buncombe.....	32
Mount Holly, Gaston.....	25			Ridgeview, Mecklenburg.....	52
				Roanoke Rapids, Halifax.....	33
				Robbins, Moore.....	24
				Robbinsville, Graham.....	24

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
R		S		T	
Robersonville, Martin	33	Slocomb, Cumberland	40	Tabor City, Columbus	26
Roberta Mills, Cabarrus	32	Smithfield, Johnston	26	Tarboro, Edgecombe	33
Rockingham, Richmond	24	Smyre, Gaston	25	Taylorsville, Alexander	24
Rockwell, Rowan	24	Snow Hill, Greene	33	Terra Cotta, Guilford	32
Rocky Mount, Edgecombe & Nash	31	Southern Pines, Moore	24	Thomasville, Davidson	32
Rocky Ridge, Cabarrus	32	South Fayetteville, Cumberland	40	Thrift, Mecklenburg	52
Rocky River, Cabarrus	32	South Gastonia, Gaston	25	Tiretown, Forsyth	18
Robesville, Wake	31	Southmont, Davidson	24	Toast, Surry	24
Roseboro, Sampson	33	Southport, Brunswick	26	Tokay, Cumberland	40
Roslin, Cumberland	40	South Raleigh, Wake	16	Trenton, Jones	33
Rougemont, Durham	32	South River, Rowan	32	Trinity, Randolph	32
Rowland, Robeson	26	South Rosemary, Halifax	33	Troy, Montgomery	24
Roxboro, Person	24	Sparta, Alleghany	24	Tryon, Polk	24
Rural Hall, Forsyth	32	Spencer, Rowan	32		
Rutherfordton, Rutherford	24	Spencer Mountain, Gaston	25	V	
		Spindale, Rutherford	24	Valdese, Burke	24
S		Spray, Rockingham	24	Valmead, Caldwell	24
Saint Pauls, Robeson	26	Spring Hope, Nash	33	Victory, Cumberland	40
Salisbury, Rowan	32	Spring Lake, Cumberland	40	Victory, Gaston	25
Sanford, Lee	26	Spruce Pine, Mitchell	24		
Saratoga, Wilson	33	Stanley, Gaston	25	W	
Saxapahaw, Alamance	24	Stantonsburg, Wilson	33	Wade, Cumberland	40
Scotland Neck, Halifax	33	Statesville, Iredell	24	Wadesboro, Anson	24
Selma, Johnston	26	Staton, Pitt	31	Wake Forest, Wake	31
Selwyn Park, Mecklenburg	52	Stedman, Cumberland	26	Walkertown, Forsyth	18
Seymour Johnson A.F.B., Wayne	47	Stokesdale, Guilford	32	Wallace, Duplin	33
Shalotte, Brunswick	26	Stony Point, Alexander	24	Walnut Cove, Stokes	24
Sharpsburg, Edgecombe, Nash & Wilson	31	Summerfield, Guilford	32	Warrenton, Warren	33
Shaws, Cumberland	40	Sunnyside, Gaston	25	Warsaw, Duplin	33
Shelby, Cleveland	24	Swannanoa, Buncombe	32	Washington, Beaufort	33
Shiloh, Buncombe	11	Swanquarter, Hyde	33	Waynesville, Haywood	24
Siler City, Chatham	24	Swepsonville, Alamance	24	Weaverville, Buncombe	32
Skyland, Buncombe	11	Sylva, Jackson	24	Welcome, Davidson	32
				Weldon, Halifax	33
				Wendell, Wake	31
				Wentworth, Rockingham	24
				Westend, Guilford	15
				Westover, Wake	16

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
W					
Whitakers, Edgecombe & Nash	33	Windsor, Bertie.....	33	Yadkin Junction, Rowan.....	32
Whiteville, Columbus	26	Winnabow, Brunswick	26	Yadkinville, Yadkin	24
Whitnel, Caldwell	24	Windsteads Chapel, Nash.....	31	Yanceyville, Caswell.....	24
Wilders Grove, Wake	16	Winston-Salem, Forsyth	18	Yost, Rowan	32
Wilkesboro, Wilkes.....	24	Winterville, Pitt	33	Youngs Springs, Wilson	31
Williamston, Martin.....	33	Woodburn, Brunswick	17	Z	
Wilmington, New Hanover	17	Woodfin, Buncombe	11	Zebulon, Wake	31
Wilson, Wilson	31	Worthville, Randolph	24		

NOTE: Refer to an atlas or map for places not listed.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
AVERAGE NUMBER OF CLAIMS FOR LATEST TWO ACCIDENT YEARS

LIABILITY - VOLUNTARY AND CEDED

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2005	91,554	245,182	59,346
12/31/2006	91,045	246,885	59,079
Average	91,300	246,034	59,213

PHYSICAL DAMAGE - STANDARD AND NON-STANDARD

Year Ended	Comprehensive	Collision
12/31/2005	275,985	205,277
12/31/2006	284,322	205,843
Average	280,154	205,560

VOLUNTARY AND CEDED COMBINED

Year Ended	Uninsured Motorists	Underinsured Motorists
12/31/2005	15,495	1,298
12/31/2006	14,981	1,457
Average	15,238	1,378

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES
LIABILITY COVERAGES

VOLUNTARY BUSINESS ONLY

(1)	(2)	(3)	(4)	(5)
Earned Premiums at Manual Rates	Current Level To Actual Level Factor	Manual to Collected Factor	Expense Factor	General and Other Acquisition Expenses
Year ending 12/31/2006				
BI 767,550,174	0.9176	0.8793	16.9%	104,660,778
PD 702,370,820	0.9866	0.8793	16.9%	102,974,893
MP 123,631,246	0.8149	0.8793	16.9%	14,971,191
Year ending 12/31/2005				
BI 743,832,472	0.8976	0.8921	15.3%	91,130,331
PD 680,501,377	0.9794	0.8921	15.3%	90,969,138
MP 121,117,701	0.8047	0.8921	15.3%	13,302,908
Year ending 12/31/2004				
BI 715,581,420	0.8974	0.9057	15.3%	88,985,843
PD 654,760,126	0.9812	0.9057	15.3%	89,025,734
MP 118,695,487	0.8046	0.9057	15.3%	13,233,967

"CLEAN RISK" CEDED BUSINESS ONLY

(6)	(7)	(8)	(9)
Earned Premiums at Vol. Manual Rates	Current Level To Actual Level Factor	Expense Factor	General and Other Acquisition Expenses
Year ending 12/31/2006			
BI 160,889,255	0.9176	15.6%	23,030,589
PD 144,735,253	0.9866	15.6%	22,276,145
MP 16,749,034	0.8149	15.6%	2,129,211
Year ending 12/31/2005			
BI 164,806,844	0.8976	13.4%	19,822,704
PD 147,562,037	0.9794	13.4%	19,365,983
MP 17,001,582	0.8047	13.4%	1,833,277
Year ending 12/31/2004			
BI 167,379,304	0.8974	14.2%	21,329,279
PD 149,075,061	0.9812	14.2%	20,770,688
MP 17,523,991	0.8046	14.2%	2,002,172

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES
LIABILITY COVERAGES

"NON-CLEAN RISK" CEDED BUSINESS ONLY

	(10)	(11)	(12)	(13)	(14)
	Earned Premiums at Facility Rates	Current Level To Actual Level Factor	Expense Factor	General and Other Acquisition Expenses	Total Liability G&OA Expenses (5) + (9) + (13)
Year ending 12/31/2006					
BI	150,811,987	0.9869	15.6%	23,218,471	150,909,837
PD	120,815,291	1.0888	15.6%	20,520,815	145,771,853
MP	13,715,085	0.9107	15.6%	1,948,491	19,048,893
Year ending 12/31/2005					
BI	149,869,092	1.0577	13.4%	21,241,216	132,194,251
PD	120,484,942	1.0659	13.4%	17,208,937	127,544,057
MP	13,495,101	1.0890	13.4%	1,969,286	17,105,471
Year ending 12/31/2004					
BI	146,809,119	0.9724	14.2%	20,271,521	130,586,642
PD	118,540,178	1.0248	14.2%	17,250,156	127,046,578
MP	12,945,448	0.9104	14.2%	1,673,546	16,909,685

Notes:

- (1), (6), (10) Voluntary and "Clean risk" ceded business at present voluntary manual rates. Non-clean risk ceded business at present Facility rates.
- (2), (7), (11) Factor to adjust the earned premium at manual rates to the rate level in effect at the time the premium was written.
- (3) Factor to adjust the earned premium at manual rates to the collected level. See RB-5.
- (4), (8), (12) Sum of the general expense and other acquisition expense percentages shown on page H-539. Voluntary ratio is to collected premiums. Ceded ratio is to manual premiums.
- (5) = (1) x (2) x (3) x (4), (9) = (6) x (7) x (8), (13) = (10) x (11) x (12).

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES
PHYSICAL DAMAGE COVERAGES

STANDARD BUSINESS ONLY

(1) Earned Premiums at Manual Rates	(2) Current Level To Actual Level Factor	(3) Manual to Collected Factor	(4) Expense Factor	(5) General and Other Acquisition Expenses
Year ending 12/31/2006				
Comp 344,783,980	1.15708	0.8914	14.8%	52,631,330
Coll 700,085,917	1.15308	0.8914	14.8%	106,498,330
Year ending 12/31/2005				
Comp 352,084,942	1.12459	0.8975	13.2%	46,908,361
Coll 711,137,143	1.15974	0.8975	13.2%	97,706,574
Year ending 12/31/2004				
Comp 355,023,397	1.04894	0.9177	13.7%	46,819,623
Coll 717,097,039	1.08490	0.9177	13.7%	97,811,011

NON-STANDARD BUSINESS ONLY

(6) Earned Premiums at Manual Rates	(7) Current Level To Actual Level Factor	(8) Manual to Collected Factor	(9) Expense Factor	(10) General and Other Acquisition Expenses	(11) Total Physical Damage G&OA Expenses (5) + (10)
Year ending 12/31/2006					
Comp 107,592,876	1.15708	1.4051	14.0%	24,489,731	77,121,061
Coll 254,091,838	1.15308	1.4051	14.0%	57,634,788	164,133,118
Year ending 12/31/2005					
Comp 88,265,243	1.12459	1.5314	10.6%	16,113,009	63,021,370
Coll 210,717,894	1.15974	1.5314	10.6%	39,669,355	137,375,929
Year ending 12/31/2004					
Comp 76,609,884	1.04894	1.7043	10.1%	13,832,582	60,652,205
Coll 185,585,454	1.08490	1.7043	10.1%	34,657,711	132,468,721

Notes:

- (1), (6) Standard and Non-Standard business at present manual rates.
- (2), (7) Factor to adjust the earned premium at manual rates to the rate level and average model year and symbol in effect at the time the premium was written.
- (3), (8) Factor to adjust the earned premium at manual rates to the collected level.
- (4), (9) Sum of the general expense and other acquisition expense percentages shown on pages H-540, H-541.
- (5) = (1) x (2) x (3) x (4), (10) = (6) x (7) x (8) x (9)

North Carolina Dividends and Deviations

EXHIBIT RB-5

LIABILITY

Year	Vol + Ced		Ceded	Voluntary		Vol + Ced		Amount of	Voluntary	Deviations
	Direct	Manual		Writ. Prem.	Writ. Prem.	Manual	Writ. Prem.			
2001	1,896,237,159	538,604,648	1,357,632,511	2,088,424,946	192,187,787	1,549,820,298	12.40%			
2002	1,966,486,164	579,008,135	1,387,478,029	2,182,501,620	216,015,456	1,603,493,485	13.47%			
2003	2,131,701,669	648,665,044	1,483,036,625	2,319,914,842	188,213,173	1,671,249,798	11.26%			
2004	2,186,772,183	670,144,704	1,516,627,479	2,344,630,005	157,857,822	1,674,485,301	9.43%			
2005	2,241,463,188	679,645,130	1,561,818,058	2,430,314,065	188,850,877	1,750,668,935	10.79%			
2006	2,341,625,605	691,796,325	1,649,829,280	2,568,035,175	226,409,570	1,876,238,850	12.07%			
Total	12,764,285,968	3,807,863,986	8,956,421,982	13,933,820,653	1,169,534,685	10,125,956,667	11.55%			

LIABILITY

Year	Vol + Ced		Vol. Manual	Amount of		Dividend	as % of
	Manual	Earned Prem.		Vol. Manual	Earned Prem.**		
2001	2,091,064,008	535,554,795	1,555,509,213	4,513,114	0.29%		
2002	2,153,995,534	565,394,826	1,588,600,708	2,954,393	0.19%		
2003	2,272,048,154	631,807,943	1,640,240,211	5,324,725	0.32%		
2004	2,317,791,914	660,761,822	1,657,030,092	3,789,615	0.23%		
2005	2,547,452,137	681,921,372	1,865,530,765	4,912,765	0.26%		
2006	2,478,560,898	681,823,100	1,796,737,798	5,009,679	0.28%		
Total	13,860,912,645	3,757,263,858	10,103,648,787	26,504,291	0.26%		

PHYSICAL DAMAGE

Year	Phy Dam		Phy Dam	Deviations		Amount of	Dividend	Dividend
	Direct	Manual		as % of	Manual			
2001	1,143,486,328	1,330,687,657	187,201,329	14.07%	1,313,398,020	3,480,352	0.26%	
2002	1,258,370,573	1,490,991,571	232,620,998	15.60%	1,447,773,272	2,523,591	0.17%	
2003	1,235,884,923	1,418,704,510	182,819,587	12.89%	1,473,060,263	4,905,255	0.33%	
2004	1,192,451,971	1,299,366,808	106,914,837	8.23%	1,273,836,672	3,416,980	0.27%	
2005	1,298,795,220	1,447,067,583	148,272,363	10.25%	1,404,829,665	4,012,405	0.29%	
2006	1,347,579,999	1,511,740,740	164,160,741	10.86%	1,508,882,532	4,562,392	0.30%	
Total	7,476,569,014	8,498,558,869	1,021,989,855	12.03%	8,421,780,424	22,900,975	0.27%	

* Deviations from Rate Bureau rates on voluntary liability and standard physical damage business.
 ** Excludes Facility business
 *** Excludes Non-Standard business.

NORTH CAROLINA
PRIVATE PASSENGER
VOLUNTARY BUSINESS
LIABILITY AND PHYSICAL DAMAGE

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1997	2157042	2087512	1543295	0.739	0.097	0.076
1998	2287522	2240769	1636574	0.730	0.099	0.080
1999	2382029	2336167	1738270	0.744	0.098	0.088
2000	2526429	2542555	1803961	0.710	0.095	0.078
2001	2492185	2493270	1819022	0.730	0.100	0.073
2002	2645849	2598079	1820642	0.701	0.101	0.081
2003	2718922	2715099	1952034	0.719	0.098	0.082
2004	2709079	2675647	1897085	0.709	0.097	0.088
2005	2860613	2840080	1917313	0.675	0.101	0.089
2006	2997409	2986240	2106611	0.705	0.100	0.088

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1997	0.047	0.021	0.018	0.259	0.998	0.002
1998	0.044	0.023	0.017	0.263	0.993	0.007
1999	0.052	0.022	0.007	0.267	1.011	-0.011
2000	0.055	0.022	0.008	0.258	0.968	0.032
2001	0.060	0.024	0.003	0.260	0.990	0.010
2002	0.059	0.024	0.002	0.267	0.968	0.032
2003	0.056	0.024	0.004	0.264	0.983	0.017
2004	0.058	0.023	0.002	0.268	0.977	0.023
2005	0.054	0.023	0.003	0.270	0.945	0.055
2006	0.071	0.021	0.003	0.283	0.988	0.012

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

PREMIUM REFUNDS ARE REFLECTED IN THE YEARS MADE.

* COMMISSIONS AND TAXES ARE RATIOS TO WRITTEN PREMIUMS. FOR LIABILITY COMMISSIONS, THE VOLUNTARY PORTION OF THE RATIO IS DETERMINED USING THE VOLUNTARY/CEDED PREMIUM DISTRIBUTION AND AN ASSUMED 10.0% CEDED RATIO TO WRITTEN PREMIUMS.

** COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO

NORTH CAROLINA
PRIVATE PASSENGER
VOLUNTARY BUSINESS
LIABILITY

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1997	1285833	1281036	934049	0.729	0.097	0.074
1998	1311060	1296393	913735	0.705	0.097	0.080
1999	1334121	1316484	931296	0.707	0.100	0.089
2000	1409532	1420789	1007843	0.709	0.095	0.077
2001	1348699	1362247	1057484	0.776	0.100	0.073
2002	1387478	1373793	1002238	0.730	0.100	0.081
2003	1483037	1448251	1085449	0.749	0.097	0.086
2004	1516627	1504476	1133240	0.753	0.099	0.089
2005	1561818	1559174	1156207	0.742	0.104	0.095
2006	1649829	1605755	1244920	0.775	0.100	0.090

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1997	0.049	0.021	0.020	0.261	0.990	0.010
1998	0.046	0.023	0.019	0.265	0.970	0.030
1999	0.053	0.022	0.007	0.271	0.978	0.022
2000	0.059	0.022	0.007	0.260	0.969	0.031
2001	0.064	0.024	0.003	0.264	1.040	-0.040
2002	0.065	0.025	0.002	0.273	1.003	-0.003
2003	0.061	0.024	0.004	0.272	1.021	-0.021
2004	0.064	0.023	0.002	0.277	1.030	-0.030
2005	0.058	0.023	0.003	0.283	1.025	-0.025
2006	0.079	0.021	0.003	0.293	1.068	-0.068

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

PREMIUM REFUNDS ARE REFLECTED IN THE YEARS MADE.

* COMMISSIONS AND TAXES ARE RATIOS TO WRITTEN PREMIUMS. FOR LIABILITY COMMISSIONS, THE VOLUNTARY PORTION OF THE RATIO IS DETERMINED USING THE VOLUNTARY/CEDED PREMIUM DISTRIBUTION AND AN ASSUMED 10.0% CEDED RATIO TO WRITTEN PREMIUMS.

** COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO

NORTH CAROLINA
PRIVATE PASSENGER
VOLUNTARY BUSINESS
PHYSICAL DAMAGE

YEAR	WRITTEN PREMIUMS	EARNED PREMIUMS	LOSS AND LAE	LOSS AND LAE RATIO	COMMISSION % *	OTHER ACQ. %
1997	871209	806476	609246	0.755	0.096	0.078
1998	976462	944376	722839	0.765	0.101	0.080
1999	1047908	1019683	806974	0.791	0.096	0.086
2000	1116897	1121766	796118	0.710	0.096	0.080
2001	1143486	1131023	761538	0.673	0.100	0.074
2002	1258371	1224286	818404	0.668	0.102	0.080
2003	1235885	1266848	866585	0.684	0.099	0.077
2004	1192452	1171171	763845	0.652	0.094	0.086
2005	1298795	1280906	761106	0.594	0.097	0.082
2006	1347580	1380485	861691	0.624	0.100	0.086

YEAR	GEN EXP %	TAXES % *	DIVIDENDS %	EXPENSE RATIO	COMBINED RATIO **	PROFIT (OR LOSS)
1997	0.045	0.021	0.014	0.254	1.009	-0.009
1998	0.042	0.022	0.015	0.260	1.025	-0.025
1999	0.051	0.022	0.007	0.262	1.053	-0.053
2000	0.049	0.022	0.010	0.257	0.967	0.033
2001	0.056	0.024	0.003	0.257	0.930	0.070
2002	0.053	0.023	0.002	0.260	0.928	0.072
2003	0.050	0.023	0.004	0.253	0.937	0.063
2004	0.051	0.022	0.003	0.256	0.908	0.092
2005	0.050	0.023	0.003	0.255	0.849	0.151
2006	0.062	0.021	0.003	0.272	0.896	0.104

ALL PREMIUM AND LOSS FIGURES ARE IN THOUSANDS

PREMIUM REFUNDS ARE REFLECTED IN THE YEARS MADE.

* COMMISSIONS AND TAXES ARE RATIOS TO WRITTEN PREMIUMS

** COMBINED RATIO IS THE SUM OF LOSS AND LAE RATIO AND EXPENSE RATIO

NORTH CAROLINA

DERIVATION OF INCURRED-TO-PAID FACTOR (A)

(1)	(2)	(3)	(4)
<u>Year</u>	<u>Incurred Losses</u>	<u>Paid Losses</u>	<u>Factor</u>
2004	934,796,980	937,982,831	0.997
2005	913,689,890	917,766,251	0.996
2006	999,416,417	997,304,882	1.002

(A) Source: Page 15 Private Passenger Auto Physical Damage (line 21.1)

NORTH CAROLINA

DERIVATION OF ADJUSTED COMPREHENSIVE LOSSES FOR STATEWIDE RATE LEVEL

	<u>2004</u>	<u>2005</u>	<u>2006</u>
(1) Total Paid Losses (a) Page D-13, Col. (2)	\$181,519,147	\$168,772,298	\$187,079,419
(2) Non-Wind and Water Losses (a) Page D-13, Col. (3)	163,242,675	156,757,596	160,257,348
(3) Ratio (2)/(1)	0.899	0.929	0.857
(4) Excess Wind and Water Ratio Page D-13, Col. (5)	0.000	0.000	0.000
(5) Total paid losses (b)	243,046,072	236,375,680	275,408,543
(6) Total excess wind and water losses (3)x(4)x(5)	0	0	0
(7) Total paid losses excluding excess wind and water (5) - (6)	243,046,072	236,375,680	275,408,543
	243,046,072	236,375,680	275,408,543

(a) Standard physical damage only loss data.

(b) Standard and Non-standard physical damage combined loss data.

NORTH CAROLINA

PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1997	25,670	1,850,184	1,213,426	3,063,610	0.8%
1998	26,860	1,880,844	1,330,395	3,211,239	0.8%
1999	32,058	1,873,493	1,427,542	3,301,035	1.0%
2000	32,936	1,758,477	1,484,735	3,243,212	1.0%
2001	38,858	1,893,769	1,571,089	3,464,858	1.1%
2002	36,805	1,985,194	1,743,154	3,728,348	1.0%
2003	44,105	2,154,552	1,761,240	3,915,792	1.1%
2004	42,329	2,141,604	1,715,924	3,857,528	1.1%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
2006	50,874	2,371,902	1,839,600	4,211,502	1.2%
Latest 5 years:	222,213	10,924,535	8,940,038	19,864,573	1.1%

(in thousands)

PREFILED TESTIMONY
OF
RAYMOND F. EVANS, JR.

FEBRUARY 1, 2008

NONFLEET PRIVATE PASSENGER MOTOR VEHICLE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

- Q: Would you state your full name and business address?
- A. Raymond F. Evans, Jr., CPCU, 5401 Six Forks Road, Raleigh, North Carolina.
- Q. Are you employed by the North Carolina Rate Bureau ("Bureau")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. How long have you been employed by the Bureau?
- A: Since September 2000.
- Q. Would you summarize your educational background?
- A. I graduated from Ohio State University with a Bachelor of Science Degree in Accounting. I also have the designation of Chartered Property Casualty Underwriter.
- Q. What was your work experience after graduation and prior to your employment by the Bureau?
- A. From March 1966 to July 2000, I was employed by the State Auto Insurance Companies, Columbus, Ohio in various capacities, including the position of Executive Vice President of a subsidiary. I have extensive industry experience in underwriting and rate and form promulgation for private passenger auto.
- Q. What is the Bureau's function with respect to rates for automobile insurance, and what is your role?
- A. The Bureau files rates for nonfleet private passenger automobile insurance used by its members in North Carolina. My position as General Manager of the Rate Bureau requires me, upon direction of the Governing Committee, to file rates with

the Commissioner of Insurance.

- Q. Can you identify Exhibits RB-1 through RB-37.
- A. Yes. This is the 2008 filing (the "Filing") submitted by the Bureau to the Honorable James E. Long, Commissioner of Insurance, with respect to revised private passenger automobile and motorcycle insurance rates in North Carolina.
- Q. Do you know how the expense data underlying the private passenger automobile portions of the Filing were compiled?
- A. Yes.
- Q. Would you describe how they were compiled?
- A. The expense provisions included in the Filing were derived on the basis of a Special Call for Expense Experience that is issued on an annual basis by the Bureau. The Special Call, or request for data, was sent to all member companies of the Bureau. The responses received from that Special Call were compiled, checked by the Bureau and furnished to Insurance Services Office ("ISO") for incorporation into the Filing.
- Q. Are there any changes in the procedure used to collect expense data in the Special Call?
- A. Yes, the Rate Bureau has a continuing program to monitor and improve the quality and accuracy of expense data.
- Specifically, the changes over the past several years included using a web based data collection program which enables insurers to enter data directly, which reduces entry errors.
- Q. Do you know how the premium, loss and expense data underlying the motorcycle portion of the Filing were compiled?
- A. Yes.
- Q. Would you describe how they were compiled?
- A. The premium, loss and expense provisions included in the Filing were derived on the basis of special calls for motorcycle experience that are issued to all member companies of the Bureau. The responses received from the special calls for 2004-2006 data were compiled, checked, reconciled and edited by the Bureau and furnished to ISO for incorporation into the Filing.
- Q. Can you identify the document marked Exhibit RB-2 and entitled the North Carolina Personal Auto Manual?

- A. Yes. The North Carolina Personal Auto Manual is a manual of the rules, rates and classifications used for policies of nonfleet private passenger automobile insurance in North Carolina. This manual and any approved amendments are on file with the North Carolina Department of Insurance. A copy of this Manual is maintained at the offices of the Bureau.
- Q. Has the Bureau furnished to ISO, for use in the Filing, information appearing in the Annual Statements and the Insurance Expense Exhibits of its member companies?
- A. Yes.
- Q. How was that information obtained by the Bureau?
- A. Information from the Annual Statements and the Insurance Expense Exhibits was obtained by Bureau Staff from NAIC approved submissions of Annual Statements and Insurance Expense Exhibits filed by the companies with the Insurance Department. The Annual Statements and the Insurance Expense Exhibits are part of the official records maintained at the Department of Insurance.
- Q. What is a "deviation?"
- A. In the context of this filing, a deviation is a variation from the approved Bureau manual rates. In North Carolina the Bureau establishes the rates, subject to approval by the Department of Insurance, for coverages within its jurisdiction. The Commissioner of Insurance, with his approval, permits companies to deviate downward from those rates. Companies may deviate upward on physical damage coverage through the consent-to-rate procedures. Rates above the approved Bureau liability rates may be charged if a risk is ceded to the North Carolina Reinsurance Facility and is not a "clean risk" as that term is defined in the North Carolina statutes.
- Q. Do companies that deviate from Bureau rates in North Carolina report these deviations to the Bureau?
- A. The companies are required by statute to file a copy of their downward deviation filing with the Bureau. The original is filed with the Department of Insurance and a copy of each approved deviation is forwarded to the Bureau. The Bureau maintains a list of all such deviations in force. Companies report consent-to-rate data in the Bureau's special call for expense experience. The North Carolina Reinsurance Facility furnishes data to the Bureau on Facility premiums.
- Q. In connection with the preparation of the Filing, did the Bureau furnish information with respect to deviations from

Bureau rates to ISO?

A. Yes. Using information from the responses to the special calls for expense experience, we furnished to ISO data with respect to the historical levels of downward deviations and consent-to-rate premiums in North Carolina. We also furnished to ISO data with respect to the calendar year written premiums on business ceded to the North Carolina Reinsurance Facility for the years corresponding to the years for which deviation data were furnished.

Q. Was the Special Call, Annual Statement, Insurance Expense Exhibit, Reinsurance Facility and deviation information which the Bureau furnished to ISO in connection with the Filing correct and accurate to the best of your knowledge, information and belief?

A. Yes.

Q. Does the North Carolina Rate Bureau have actuaries on its staff?

A. No.

Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Bureau obtain that expertise?

A. Actuarial expertise was obtained from Insurance Services Office, from the members of the North Carolina Rate Bureau's Automobile Committee and from Mr. Mike Miller. The majority of the Automobile Committee is made up of actuaries who review the data underlying the Filing and make recommendations to the Governing Committee of the North Carolina Rate Bureau as to the items contained in the Filing. Insurance Services Office is employed by the Bureau to provide actuarial services to the Bureau for, among numerous other things, preparation of this Filing. Mr. Miller has been employed by the Bureau to conduct a review of the data and to assist in the preparation of this Filing.

Q. What is the proposed effective date of the rates in the Filing?

A. The effective date is October 1, 2008. The new rates will apply to all policies effective on or after October 1, 2008.

Q. Does the Filing propose changes in the relativities used to determine motorcycle rates?

A. Yes.

- Q. Would you define a "relativity?"
- A. A relativity is a percentage or a factor.
- Q. How are motorcycle rates determined and why did the Bureau request these relativity changes for motorcycle insurance?
- A. A separate rate level analysis is conducted for motorcycle insurance. Then, motorcycle liability rates are displayed as a percentage of the private passenger automobile rates. In order to factor in the effects of the increase for the private passenger automobile rates, the Bureau filed for changes in the relativities used to establish the motorcycle liability premiums. If the automobile rate changes proposed in the Filing are not implemented in their entirety, it will be necessary to increase the relativities used to establish the motorcycle rates. The relativity changes for motorcycle liability premiums contained in the Filing assume that the entire private passenger automobile liability rates are implemented as filed.
- Q. How many companies are presently licensed to write automobile insurance in North Carolina?
- A. As of January 1, 2008, there were 667 companies licensed to write nonfleet private passenger automobile insurance in North Carolina.
- Q. How many companies actually write automobile insurance in North Carolina?
- A. Based upon information in the 2006 Annual Statements, 144 companies actually wrote automobile liability insurance and 144 companies actually wrote automobile physical damage insurance in North Carolina.
- Q. Do the Filing and the materials submitted to the Commissioner with it include, to the extent available, the information to be furnished in connection with filings under Article 36 of Chapter 58 of the General Statutes?
- A. Yes. Those data that were available have been submitted to the Commissioner along with the Filing. As shown and explained in that submission, some data were not collected or, if collected, were not retrievable from the statistical data in the form requested. The individual circumstances with respect to such data are explained in the submission.

**PREFILED TESTIMONY
OF
PATRICK B. WOODS**

**2008 PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU**

- Q. Please state your name and business address.
- A. My name is Patrick B. Woods. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.
- Q. By whom are you employed?
- A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since May 10, 1976.
- Q. What are your responsibilities at ISO?
- A. I am generally responsible for managing and overseeing the operations of the Personal Automobile Actuarial Division at ISO. The Personal Automobile Actuarial Division is responsible for ISO's total ratemaking operation as it pertains to private passenger automobile insurance. We are generally responsible for doing everything that pertains to ratemaking for the personal automobile coverages including reviewing experience, making filings, analysis of classification plans, etc. ISO is involved in ratemaking for the personal automobile coverages in general in 49 of the 50 states plus the District of Columbia and Puerto Rico, as well as ISO's ongoing work for the Government of Israel for the Compulsory Auto Coverages.
- Q. What is your employment background?
- A. I have been employed by ISO for over thirty one years in various actuarial positions in the Personal Lines area. I was hired as an Actuarial Assistant in the Personal Property Actuarial Division in 1976. I was promoted to Assistant Actuarial Supervisor in Personal Property. I was later transferred to Private Passenger Actuarial and promoted to Actuarial Supervisor. At my next promotion I was named as Assistant Actuary in ISO's Data Quality Division. While in this area, I worked exclusively on New York's Special Examination of ISO and NAI in their role as statistical agents for personal automobile insurance. Upon completion of this assignment, I joined the Personal Lines Actuarial Division. In January of 1987, I was named Actuary and Manager of the Personal Lines Actuarial Division. In 2003, because of the growth of our international commitment, ISO split the Personal Lines Actuarial Division into two Divisions—Personal Automobile Actuarial and Personal Property Actuarial. I am

presently Assistant Vice President and Actuary in charge of the Personal Automobile Actuarial Division.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Science degree and a Master of Arts degree in mathematics from St. John's University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am currently a vice-chair of the CAS Prizes and Awards Administration Committee. I have served on the CAS Program Planning Committee, on the Professional Education Committee, the Committee on Principles, on the CAS Examination Committee, on the CAS Risk Classification Committee and on the CAS Editorial Committee. I have also served as a member of the American Academy of Actuaries Committee on Property and Liability Issues. I am currently chair of the Casualty Committee of the Actuarial Standards Board, and formerly served as chairman of the Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board.

Q. Are you familiar with automobile ratemaking in other states?

A. As part of my duties at ISO, I know the data collection and ratemaking procedures in use in states other than North Carolina. I have worked on rate filings for virtually every state in which ISO has jurisdiction. I am responsible at the present time for either preparing or supervising the preparation of filings for all of the states and the District of Columbia and Puerto Rico.

Q. What work have you performed with respect to the Rate Bureau's 2008 automobile rate filing in North Carolina?

A. Through ISO I have been involved in the preparation of the 2008 automobile rate filing for the Rate Bureau in two respects. First, ISO is one of three statistical organizations that collect rate-related statistical data from the companies writing automobile insurance in North Carolina. The Independent Statistical Service, Inc. ("ISS") and the National Independent Statistical Service ("NISS") are the other statistical organizations that collect such data. The three statistical organizations subject the data that are reported to them to a series of verification edits and then consolidate the data. The data which ISS and NISS collect are sent to ISO and consolidated with the ISO-collected data in the proper format so that they can be reviewed to determine whether rates are adequate or inadequate. ISO then produces the hard-copy exhibits of the combined data in a format and detail necessary for ratemaking.

Second, ISO provides consulting actuarial services directly to the Rate Bureau. I have been directly involved in this aspect of the Rate Bureau's private passenger automobile insurance rate filings for a number of years. As in the past, my staff and I compiled the ratemaking data to be reviewed by the Automobile Committee in preparation of the filing. Also, as in the past, I have participated in all of the discussions of the Automobile Committee in preparation of the filing.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RB-1.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property and Casualty Insurance Ratemaking. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the rate standards set forth in North Carolina General Statute 58-36-10(2), i.e., that rates must be adequate, not excessive and not unfairly discriminatory.

Q. Mr. Woods, could you describe generally the steps taken to ensure that the statistical data contained in this filing are reasonable and reliable for ratemaking purposes?

A. Yes. The data received from the companies are subject to various edits which check for the validity of the coded information and the appropriateness of the relationship of the codes to each other on each record. After the data have been edited at the transaction level, they are subject to a set of distributional edits which check that the distribution of the data is consistent with a company's prior submissions. The data are also balanced on a company-by-company basis to page 15 of the Annual Statement. After all these checks and reviews have been made on a company basis, the aggregate data are reviewed for overall reasonableness. This includes checking to see that the changes observed in various summary totals are consistent with known activities and other compiled information, as well as previous years' statistics.

In addition, the Rate Bureau requested that the statistical agents provide the companies that are on the Auto Committee with their own and the industry data distributions by class, territory and deductible. These data were provided to them in order to verify that the data compiled by the statistical agents accurately represents the company's writings in each of the last three years. To the best of my knowledge, these reviews did not raise any question regarding the reasonableness and reliability of the data for ratemaking purposes.

As a result of all these data checks, the Rate Bureau concluded that the data were appropriate for determination of revised rate levels and rate relativities.

Q. Would you describe the data utilized in Exhibit RB-1?

A. The ratemaking experience reflected in Exhibit RB-1 is, in general, the data which has been supplied by the individual insurance companies to the statistical organizations and consolidated into the appropriate format and detail for ratemaking as described above. The supporting data for the rate level changes for bodily injury liability, property damage liability, medical payments, comprehensive and collision coverages are contained in Section C. Three years of exposure, loss and expense experience are displayed for each of the coverages in Section C. The three years are the years ended December 31, 2004,

December 31, 2005, and December 31, 2006. The Automobile Committee discussed the number of years of experience to be used in determining indicated rates. After the indicated required premium per exposure for each of the years were produced, the Committee reviewed the results for each year and considered the impact of giving equal weight to each of the three years. After consideration of the three years of data, the Committee concluded, based on standard actuarial credibility considerations, and balancing the issue of stability versus responsiveness, that the exposure distributions and the losses and expenses attributable to these exposures for the year ended December 31, 2006 were fully credible and could be given 100% credibility weighting for calculating anticipated rate level needs. Accordingly, the mathematical calculations underlying the indicated rate level changes and filed rate changes are based on the exposure distribution, loss and expense experience for the year ended December 31, 2006. This is the same weighting procedure that has been utilized by the Rate Bureau in previous automobile insurance rate filings since the inception of the Rate Bureau in 1977, and it is used on all coverages except for Uninsured Motorists, Underinsured Motorists, excess limits of Bodily Injury and Property Damage Liability and Motorcycles, as noted later.

The loss experience used in the filing for the liability and medical payments coverages is what we call "accident year" experience. I can explain that best by giving you an example. The losses for the accident year ended December 31, 2006 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2006. If an accident occurred December 29, 2005 and resulted in either a loss being paid or a reserve being established after January 1, 2006, that loss would be a part of the accident year losses for the period ended December 31, 2005. The test for breaking losses down into accident years is the date the accident occurred.

For the collision and comprehensive coverages, the loss experience used in the filing is "calendar year" experience. What this means is that the losses include all payments which are made during the particular year. For example, if an accident occurs on December 29, 2005 and the loss is actually paid on January 10, 2006, this would be a loss during the calendar year ended December 31, 2006. The reason we do not use "accident year" experience for physical damage coverages is that the lag between the time an accident happens and the time the loss is paid is usually very short and the difference between accident year and calendar year experience is nominal. The use of calendar year experience is has long been accepted for the physical damage ratemaking in North Carolina.

- Q. What data are included in the preparation of the indicated required premiums in the filing?
- A. The Bureau calculated the needed average indicated premiums by using the loss and expense experience of all drivers who apply to the companies for the coverages in this filing. In filings prior to the 2005 filing, the loss and expense experience was limited to drivers that were ultimately written and retained by the companies at the manual rate or at a downward deviated rate. Risks written and retained by the companies at the manual rate or at a downward deviated rate have significantly better loss and expense experience than risks written by the companies but ceded to the Facility (both clean risks and other-

than-clean risks) and physical damage risks written at higher than the manual rates through the consent to rate process. Instead of calculating the average loss and expense level of all the drivers who apply for and purchase (under the Bureau's non-fleet private passenger automobile policy) the coverages in this filing, the prior procedure calculated the average loss and expense level of only the better drivers in the state. The average loss and expense levels by coverage in this filing are the actual average loss and expense levels of all North Carolina drivers who buy the coverages for which rates are made in this filing.

Since the rate level calculation is made using a pure premium methodology, the indicated average rate is simply determined as the sum of prospective average loss and loss adjustment expense per exposure, and the expenses per exposure for general and other acquisition expenses, a provision for variable expenses (commissions, premium taxes, etc.) and a provision for underwriting profit.

Q. Why did the Bureau include the experience of all these North Carolina drivers in determining the average indicated premiums in the filing?

A. As a result of ongoing discussions with the Department of Insurance, the Bureau spent considerable time in 2004 studying the appropriate experience to use when determining the average rate in North Carolina. In studying the issue, it became clear that the rates determined in prior filings did not reflect the true average loss and expense experience of all the drivers applying for the coverages in the filing. They instead resulted in rates that reflected the average loss and expense level of only the better drivers insured by the companies in what is typically referred to as the voluntary liability and standard physical damage market under the Bureau's non-fleet private passenger automobile policy. The Bureau determined that it was necessary to include the experience of all North Carolina drivers in order to calculate the actual average loss and expense level of drivers applying for the coverages in the filing and to set the manual rates at an average level that appropriately takes into account all of that experience. The Bureau recognized that some drivers will pay more than the premium levels determined in the filing (consent to rate risks, Facility other than clean risks) and that some drivers will pay less than the premium levels determined in the filing (risks receiving downward deviations). On RB-25 the Bureau provides an analysis of the anticipated revenue from all sources compared to the premium that would be generated if the filed Bureau manual rate were charged to all risks. In determining the anticipated revenue the Bureau has used the historic average of the deviations from the manual rate (where the term deviation can be positive relative to the Bureau rate —non-clean risks in the Facility and Consent to Rate risks for Physical Damage, as well as the deviations below manual rates filed by many companies) based on a six year average. Also considered as a revenue component is the clean risk recoupment collected by the Facility to account for the difference between the actuarially sound rate for these risks and the Bureau manual rate. The recoupment amount is based on the latest indicated clean risk surcharge as calculated by the Facility. As a result of this analysis, to the Rate Bureau believes that the premiums and other revenue items, anticipated to be collected from all of these drivers at the rates anticipated to exist during the period these rates will be in effect is

virtually the same as the amount necessary to pay the anticipated losses and expenses and the fair profit as contained in the calculation of the Bureau rate in the filing. By utilizing the experience of all these drivers, the Bureau has taken into account in this filing virtually all of the variations from the true average rate, and therefore does not believe it is necessary to include an additional provision for rate deviations.

Q. Does the filing contain an exhibit which shows the criteria for determining the credibility to be assigned to a single year's data?

A. Yes. The credibility table at the top of page D-27 of the filing shows the number of claims which are necessary for assigning full credibility to a single year's data. It also shows the number of claims that would be necessary for assigning partial credibility. These are the criteria which are currently used by ISO on a countrywide basis. These credibility standards are based on a formula described in the paper "On the Credibility of the Pure Premium" by Mayerson, Jones and Bowers. This paper was published in the Proceedings of the Casualty Actuarial Society for 1968, Volume LV. The full standard of 4,000 claims is based on the criterion that the observed (actual) pure premium should be within 5% of the expected pure premium with a probability of 95%. In simpler terms, we are using a P (probability) value of 95%, and a k (tolerance) value of plus or minus 5%.

The chart shows that if the average number of claims is 4,000 or greater, 100% credibility should be assigned to the latest year's data, with zero weight being assigned to data for the earlier years. The average number of claims is the average for the two latest accident years. If the average number of claims for a particular coverage over a two year period were 3,700, that would mean that you should use both years' experience in calculating rates. Ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

Q. Was this criteria for determining the accident year weights applied to all coverages?

A. No, as I mentioned earlier, there were exceptions to this criteria—Uninsured Motorists, Underinsured Motorists, excess limits of Bodily Injury and Property Damage Liability and Motorcycles. Since the experience for the Uninsured Motorist coverage can be less stable, an exposure-weighted average of the latest three years was used. In filings from 1997 through 2002, the Rate Bureau used a premium-weighted average to calculate the final results for this coverage. When the Bureau switched to a pure premium based methodology, the Bureau switched to an exposure-weighted average. For Underinsured Motorists the three year average is used because of the leveraged nature of the coverage, an excess cover over the party at fault's underlying bodily injury coverage. This could lead to relatively unstable results from year to year, as the losses are subject to the mix of the limits purchased and at fault in the accidents. (It is worth noting that while the data shown appears to be quite stable, the potential for large claims should be recognized since this analysis is on a total limits basis. This possibility is addressed through the use of a three year experience period). Similarly, for excess limits of coverage for Bodily Injury and Property Damage Liability, a three year experience period is used due to the potential for variability in the year to year results for higher layers of coverage. For motorcycles, the experience

was collected by a Rate Bureau call for financial data, and therefore no claim count by year was available. In addition, the results by year for this coverage can be quite variable. Based on these two facts, a premium-weighted average of the three latest years was used.

Q. Page D-27 also has a table showing the factors for territorial credibility. Please explain that.

A. Once the statewide rate change is determined, it is necessary to apply the overall change to each of the territories in the state. The territory credibility table is used to determine how much credibility is assigned to the three-year experience for a particular territory. The reason for the difference in the number of claims as between statewide credibility and territorial credibility is that for the development of rates by territory a wider confidence interval is permitted. We use a 90% confidence interval for territory purposes, but a stricter 95% confidence interval for the statewide rate level calculation.

Q. Please explain the trend credibility table in the lower right-hand portion of page D-27.

A. In some states the number of claims is so small that full credibility should not be assigned to the calculated trends. That is clearly not the case in North Carolina. The trend credibility table shows that 10,623 claims are necessary for full credibility for trends. With the exception of the uninsured motorist coverage, the number of claims far exceeds that standard. Therefore it is appropriate for the bodily injury, property damage, medical payments, collision and comprehensive coverages to give the trend calculations full credibility. This does not mean that the past trends will necessarily continue into the future. That is something which we have to consider and evaluate carefully. It does mean, however, that we can be confident that the trend calculations are accurate representations of what did in fact occur during the period covered by the trend calculations.

Q. As part of your testimony, have you prepared an exhibit that shows the average number of claims over the last two accident years for each of the coverages in the filing?

A. Yes. Exhibit RB-3 shows the average number of claims for the accident years ended December 31, 2005 and December 31, 2006. It shows that for Bodily Injury, Property Damage, Medical Payments, Comprehensive and Collision coverages, the number of claims was far in excess of the 4,000 which is the standard for assigning full credibility to the latest year. Accordingly, for the purpose of calculating the statewide rate indication for each of these coverages, it is actuarially sound and reasonable to give 100% credibility weight to the data for the accident year ended December 31, 2006.

Q. Has the Rate Bureau made any adjustment in the filing to reflect seat belt usage in North Carolina over the last few years?

A. No, the Rate Bureau has not made an explicit adjustment to the otherwise indicated rate levels because of programs and law changes in North Carolina directed at increasing use of seat belts. The initial law for front seat occupants was put in place in late 1993, and its effects are fully reflected in the 2004, 2005 and 2006 data. In addition, data from the

National Highway Traffic Safety Administration indicates that the usage percentage subsequent to the experience period is similar to the usage in the experience period.

In addition, the recently enacted law requiring all occupants to be belted (warnings only effective December 1, 2006 and \$10 penalty effective July 1, 2007) was discussed by the Auto Committee. Since the trend data were through June 2007, a portion of any effect of the law change is already reflected in the data. Further, given that North Carolina already had a child restraint law in effect and the new law would affect only adults over the age of 16 in the rear seat, any additional impact on exposure would be small. Therefore, no additional adjustment was necessary in the indicated rate levels.

Q. Has the Rate Bureau given any consideration to the impact of the graduated license program?

A. Yes, the Rate Bureau has again considered the impact of the graduated license program. The Committee noted that the program was effective in late 1997. This means that all three of the years of experience considered by the Auto Committee were fully reflective of the graduated license program.

Q. Mr. Woods, please turn to page C-1 of Exhibit RB-1. Would you explain what that page is.

A. Page C-1 is what we call a statewide indicated average rate level calculation for the liability coverages for North Carolina. Although technically the medical payments coverage is not a liability coverage, for ratemaking purposes we generally treat it as such. Therefore, if I refer in my testimony to the liability coverages, it includes not only bodily injury and property damage but also the medical payments coverage unless I specify otherwise. Page C-1 is a determination of what the indicated average rate levels are for bodily injury, property damage, and medical payments coverages.

Q. The column on page C-1 for bodily injury contains a reference to "30/60". What does that mean?

A. These are the minimum bodily injury liability policy limits which are needed to comply with the financial responsibility laws in North Carolina. Here we are calculating the indicated average rate that is needed for this "basic limits" coverage. We assume that losses are "capped" at these basic limits. What this means is that the indicated average rate we get from the calculation is the actuarially sound average rate assuming everyone in North Carolina purchased basic limits coverage. There is a separate procedure which is followed to determine what the additional premium should be for those people who buy higher limits, and the results of that procedure are incorporated at the end of the calculation on page C-1 in order to get the total limits premium. This use of "basic limits" losses for the purpose of determining the statewide indicated average rate is the proper procedure to be followed. As far as I am aware, the use of basic limits data is universally accepted. To illustrate how it works, assume that a person bought a policy with 100/300 bodily injury policy limits and had an accident which caused his insurance company to make a payment to a claimant of

\$75,000. The losses which are shown on line 1 would include only \$25,000 as opposed to the \$75,000 total loss.

Q. Referring to line 1 on page C-1 under the bodily injury column, what are "reported incurred losses and allocated loss adjustment expense"?

A. The reported incurred losses on line 1 are the losses resulting from accidents which occurred during the one year period ending December 31, 2006. The figure includes both losses which have already been paid and losses which are not yet paid and are represented by outstanding claim reserves. The figure also includes allocated loss adjustment expenses. Allocated loss adjustment expenses are expenses which relate to a specific claim. For example, the fees which an insurance company pays to attorneys to defend a claim would be classified as allocated loss adjustment expenses. On the other hand, adjustment-related expenses which cannot be identified to a specific claim are called unallocated loss adjustment expenses. An example of this would be the salaries and overhead associated with operating a company's in-house claims department. Allocated loss adjustment expenses are included in line 1; unallocated loss adjustment expenses are not.

Q. Have the losses and allocated loss adjustment expenses as reported by the companies been adjusted in any way to get to the number in line 1?

A. Yes. As I mentioned earlier, ratemaking is done on a 30/60 limits basis. For that reason we adjust the reported losses by eliminating those losses which exceed the amount which would have been paid had the policy limits been 30/60.

Q. Would you please explain lines 2 and 3 on page C-1?

A. Yes. Those lines reflect the incorporation of loss development into the calculation. Line 2 shows the loss development factor, and line 3 is the result of multiplying the incurred losses and allocated loss adjustment expenses in line 1 by that loss development factor. As I mentioned a moment ago, the losses on line 1 of page C-1 do not include losses which are not yet reported. By definition, since they are not yet reported, we cannot simply take a reported number and add it in. They are included by what is known as an adjustment for IBNR (incurred but not reported) losses. This is accomplished through the use of loss development factors. The losses as they are reported to us cover all accidents which occur during the one year period ended December 31, 2006. When they are reported to us they are evaluated as of March 31, 2007. As of March 31, 2007, some of the losses have already been paid and some have not, i.e., they are represented by loss reserves. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development pattern will hold true for losses incurred during the year ended December 31,

2006. Accordingly, under this example, we would make an adjustment by increasing the losses as they are initially reported to us by 1%.

Q. What causes losses to change or develop as you have described?

A. The losses which are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 28 of any given year and for some reason was not timely reported to the company, it might very well be that the losses as initially reported would not include any provision for that particular claim. By the time of the next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q. Will you please refer to page D-14 of RB-1 and explain how the loss development factor for bodily injury in the filing was calculated?

A. Yes. In the top section of that page the combined voluntary and ceded losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which data are available are shown. The first entry for the accident year ended December 31, 2002 is \$502,055,673. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by accidents which occurred during the year which ended December 31, 2002. The evaluation was made as of March 31, 2003 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2004), the losses caused by accidents which occurred during the year ended December 31, 2002 had grown to \$533,149,260. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$502 million to \$533 million represents a growth in losses, or a positive development, of 6.2% (1.062) as shown in the column on the lower portion of the page labeled "15 to 27 Mos." As shown on page D-14, we have looked at the average development from 15 months to 27 months over the three year period of accident year 2002 to 2005 and over the latest five years. The average development for the three years was 1.068 or 6.8%, and the average development for the latest five years was 1.066 or 6.6%. The choice to exclude the 15 to 27 month factor for the 2003 year was made because one large company had made some changes in how reserves were set for accident year 2003 and the Automobile Committee felt that the use of that data in a three year average would bias the factor. As in the past, the Automobile Committee decided to use the factors based on the three year averages. I believe that such factors provide the best balance of stability and responsiveness.

Q. Does page D-14 also show development figures for periods later than 27 months?

A. Yes. Studies have shown that for the bodily injury liability coverage virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident

year. For that reason we also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. For example, by the time of the 39 month evaluation the losses for the accident year ended December 31, 2002 had grown to \$548,869,443. This represents a change of 2.9% in the losses for the same accident year evaluated as of 27 months. The average development over the period 27 months to 39 months for the three most recent years for which the data are available was 1.033 or 3.3%.

Q. Are the data which were used to determine loss development for later periods also shown on page D-14?

A. Yes. The figures showing how losses developed from the 39-month evaluation to the 51-month evaluation and then the 63-month evaluation are also shown on that page. The development factors were calculated in the same manner I just described for the "15 to 27" and "27 to 39" development factors. As you can see on the page, we have had to use earlier accident years to get the later evaluations. This is because we do not yet know what the ultimate developments will be on the later accident years.

Q. Will you explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2006 losses was determined?

A. Yes. The development factors for each of the applicable periods, as shown on page D-14, are:

<u>Development Period</u>	<u>Factor</u>
15 to 27	1.068
27 to 39	1.033
39 to 51	1.014
51 to 63	1.002

If you multiply all of these factors, you will get the average development from the initial evaluation at 15 months to the ultimate payment value at 63 months. The result of that multiplication is 1.121 or 12.1% total development. Since losses have historically increased or developed by 12.1% from the time they are initially reported to the time they are paid, the assumption is that the losses for the accident year ended December 31, 2006 will do likewise. Accordingly the developed losses shown in the filing for the accident year ended December 31, 2006 include a 12.1% upward adjustment for loss development.

Q. Is this the same loss development procedure that has been employed in previous automobile insurance rate filings in North Carolina?

A. Yes.

Q. Please refer to line 5 of page C-1. With reference to the column headed "Bodily Injury," please tell us what the figure \$78,991,213 represents.

A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2006. As I explained earlier, unallocated loss adjustment expenses are those loss adjustment expenses which cannot be attributed on an accident-by-accident basis. That number is the result of multiplying the developed losses and ALAE in line 3 by the factor of 0.127 in line 4.

Q. Have you reviewed the Rate Bureau's compilation of the expense data furnished by its member companies in response to the special call?

A. Yes, I have. When ISO gets the expense information from the Rate Bureau, we routinely review it relative to earlier years for consistency.

Q. Please refer to page C-1, line 6 entitled "General and Other Acquisition Expenses." With reference to the figure \$150,909,837 shown under the column headed "Bodily Injury," what does that figure represent?

A. These are the general and other acquisition expenses associated with the accident year ended December 31, 2006. These are the so-called fixed expenses for that year. They are fixed in that they do not vary as a direct function of the premium dollar. For example, employee salaries (other than claims employees) would be classified as either general expenses or other acquisition expenses. Those salaries are fixed in the sense that they do not vary directly as a function of premium. Such things as commissions and premium taxes, on the other hand, are examples of expenses which do rise or fall directly with premium. Line 6 of page C-1 represents the expenses (other than claims-related expenses) which are fixed in this sense.

The amounts shown on line 6 for each of the coverages are also derived from the most recent special call responses received by the Rate Bureau. The figures reported in response to the special call are total general expenses and total other acquisition expenses. It would not be appropriate to include the total figures actually reported since some of those expenses should be the "increased limits" portion of the total rates. Since what is calculated on page C-1 is the required premium needed for basic limits, we want to use only those fixed expenses which are attributable to the basic limits premium. As shown on page C-2 at footnote (c), the total limits fixed expenses were 7.9 % for general expenses and 9.0 % for other acquisition expenses, for a total of 16.9 % of total limits collected earned premium for voluntary and ceded collected earned premium and 7.3% for general expense and 8.3% for other acquisition expense of the voluntary and ceded manual earned premium. (The data for these percentages is shown on page H-539.) By multiplying these percentages times the basic limits premium on a collected level for voluntary premium and on a manual level for ceded business for policies associated with the year ended December 31, 2006, you get the total fixed expenses which are attributable to the basic limits coverage. This is shown on Exhibit RB-4.

- Q. What is the assumed effective date which was used in the preparation of the present filing?
- A. The filing was put together on the assumption that the revised rates will become effective October 1, 2008 for new and renewal business.
- Q. Would you please explain line 7?
- A. The figure 6,562,794 in line 7 displays the earned exposures for the Bodily Injury coverage for the year 2006. An earned exposure represents one car insured for one year. Thus, the 6,562,794 represents the number of cars that were provided with coverage under the Bureau's nonfleet private passenger automobile policy during the year 2006. The earned exposures will serve as the denominator in the calculation of the projected values that will be used in calculating the required per risk premium.
- Q. Would you please explain lines 8 through 10?
- A. These lines are shown for general information purposes. The incurred claims in line 8 are multiplied by the claim development factor in line 9 to produce the number of developed claims in line 10.
- Q. Referring to page C-1, please explain what is meant by line 11 -- Average Annual Change in Losses and ALAE.
- A. What the Rate Bureau is doing in the filing is making rates to cover policies issued for new business and for renewals of existing business during the period October 1, 2008 through September 30, 2009. In order to do that, it is necessary to project the amount of losses which will be covered under policies issued during these periods. Since we know that losses change because of such things as changes in accident frequency and changes in injury and damage costs, it would not be appropriate to assume that the losses covered under 2008 and 2009 policies will be the same as the losses which are shown on line 3 for the accident year ended December 31, 2006. The purpose of line 11 is to trend the losses which are shown on line 3 to the anticipated level for 2008 and 2009 policies. Line 11 shows what is generally referred to as the trend factor. It is the anticipated annualized rate of change in losses. For the bodily injury liability coverage, the annual factor is 1.008 or 0.8% per year. These are referred to as "pure premium" trends. In order to apply that annual trend to policies to be written under the new rates, the trend is applied over a period of 3.03 years, as shown in line 13 on page C-1. Mathematically this is done by raising the factor of 1.008 to the 3.03 power. This gives you the total amount of the trend projection.
- Q. How were these trends determined?
- A. They were selected by the Automobile Committee based on its review and discussion of a variety of information presented at the December 6 meeting. Much of the information they reviewed was provided by ISO. The primary data for this analysis are what we refer to as

"internal" trend data. These are the cost and frequency data for all companies writing private passenger non-fleet automobile insurance in North Carolina, for which trend lines were determined for several different time intervals both on a linear and on an exponential basis in order to determine what the actual changes for both cost and frequency have been in the recent past. This information is included in the filing at pages H-482 through H-516.

Fasttrack data were also provided. This is data from the so-called Fasttrack Data System, a program administered under the auspices of the National Association of Insurance Commissioners ("NAIC"). This program was developed in the 1970's in response to a concern that the internal trend data were not produced currently enough to indicate the most up-to-date trends in accident frequency or severity. Fasttrack data are collected, as the name implies, on a more expedited basis from among a number of the larger automobile insurance writers. There are a number of problems with Fasttrack data. For instance, they do not include the trend data of all insurers and are not subjected to the verification procedures which are applied to the internal trend data. Further, the Fasttrack data, which are also compiled on a calendar year basis, are somewhat biased due to the relative growth of participating companies and the share of the market in claims and exposures they represent. Nonetheless, they can be useful on some coverages as a tool to assist in making judgments about likely trends where they are more current than other available data. It should be noted that the Fasttrack data used in this filing are the same Fasttrack data supplied directly to the Commissioners by ISO and ISS. The fasttrack data and trend calculations are included in the filing at pages H-470 through H-481.

— Q. Was there any other trend information provided to the Automobile Committee?

A. In addition to the internal trend and the fasttrack trends, various external information was provided. This information included various government indices (such as the Consumer Price Indices for medical care, physician services and auto body work), statistics with respect to gasoline prices, and miles driven.

Q. Is there any one mathematical procedure which can be used to determine the average annual change in pure premium?

A. No, there is not. The determination of an average annual change based on trend curves will give an accurate calculation as to what the past trend has been. However, the trend numbers calculated in that fashion should be used as a prospective trend factor only to the extent that one anticipates that the past trends will continue into the future.

Q. Have you reviewed the trends used in the filing?

A. Yes. The Rate Bureau adopted for use in the filing the selections made by the Automobile Committee. Those are set out below:

COVERAGE	COST	FREQUENCY	PURE PREMIUM
Bodily Injury (B/L)	5.0%	-4.0%	0.8%
Bodily Injury (T/L)	6.0%	-	-
Property Damage	3.0%	-1.0%	2.0%
Medical Payments	2.0%	-2.5%	-0.6%
Comprehensive	0.0%	-2.0%	-2.0%
Collision	2.0%	1.0%	3.0%
Uninsured Motorists	-	-	0.0%
Underinsured Motorists	-	-	7.0%

- Q. Do you have an opinion with respect to the reasonableness of these trends?
- A. Yes, based on my own review of the data, I do. I believe that the Rate Bureau has been reasonable in its trend selections. By that I mean that the Bureau has selected trends that were within my range of reasonableness.

For the Bodily Injury coverage, the Rate Bureau has selected a cost trend of 5.0 % based on the fairly narrow range of the fitted annual rates of change. The 12 point, 9 point and 6 point fits annual rate of change are within the range of 4.5% to 5.5%. The selection of 5.0% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends.

For Bodily Injury claim frequency, the Rate Bureau selected -4.0%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a very narrow range for the 12 point, 9 point and 6 point fits. The selection of -4.0% is consistent with this period of stability.

For the Property Damage coverage, the Rate Bureau selected a cost trend of 3.0% and a frequency trend -1.0%. The 3.0% selection for cost falls within the relatively narrow range of the shorter and longer term fits. The selection of the -1.0% frequency change is based on the moderation in Property Damage frequency decreases seen in the most recent data points.

For the Medical Payments coverage, the Rate Bureau selected a cost trend of +2.0%. This selection is based on the fact that the rates of change for this coverage over the longer term have been in this range when examining the 12 point and 15 point fitted changes. In addition, government forecasts for the rate of change for medical care will continue to increase at levels greater than that indicated by the Medical Payments severity changes.

Most recent Consumer Price Index data shows these changes to have been about 4 to 4.5% for medical services both on the long term and the short term.

For Medical Payments frequency, the Rate Bureau selected a frequency trend of -2.5%. The annual rates of change for each of the fits displayed have been negative. The selection of this change is based on consideration of a balancing of the long term trends and the moderation in the rate of decrease in frequency seen in the last 4 points.

For Comprehensive, the Rate Bureau selected a cost trend of 0.0%. This is based on fitted changes for the various deductibles for data through June 30, 2007 as follows:

	Full Coverage	\$50 Deductible	\$100 Deductible	\$250 Deductible
15 Points	-0.6	-0.4	-1.5	-1.8
12 Points	0.1	1.3	-0.6	0.5
9 Points	-0.5	1.6	-0.2	2.4
6 Points	-0.7	6.8	1.2	3.8

The selection of the 0.0% cost trend was based on the discussion of the changes in the cost of the items for which Comprehensive pays. The Committee felt that given that the most popular deductibles showed changes in the 0% range a selection of 0.0% was reasonable.

Because of the way claims appear to have been reported during the various hurricanes that have occurred in North Carolina, the Auto Committee examined Comprehensive trend data excluding wind and water and "all other" property damage losses.

The Comprehensive claim frequencies for the Full Coverage, \$100 deductible and \$250 deductible (which contain the vast majority of the data) show a pattern of negative annual rates of change over the entire period. However, the Committee noted that, for each of these deductibles, the most recent points have flattened, indicating a moderation of the downward trend. In light of this observation the Committee selected a -2.0% claim frequency trend for Comprehensive.

The underlying Comprehensive claim cost and frequency data is found on pages H-491 through H-502.

For collision cost trend, the Rate Bureau selection of 2.0% is supported by the data found on pages H-503 through H-506. The fitted annual rates of change for the predominant deductibles are all increasing in the 2.0% range.

For collision frequency trends, the Rate Bureau selection of 1.0% is primarily based on the recent increases in the claim frequency for the \$250 and \$500 deductibles. Collision frequency data is shown on pages H-507 through H-510.

The UM trend factor of 0.0% is based on the pure premium fits found on page H-515. This data is showing the actual pure premiums have tended to fall in a range that includes the values for the latest 3 years. The selection is justified in part on this observation and the fact that the rates of change shown over the entire period have been close to no change.

The UIM trend factor of 7.0% is based on the pure premium fits found on page H-516. This data shows that the UIM pure premium has been increasing generally over the last 7 years of available data. The Auto Committee examined annual rates of change based on the full term of this data. The selected trend is based on the increase in the rate of change over the more recent period.

Q. In making your evaluation of the Rate Bureau's trend selections, have you relied on any other data?

A. Yes, I have. I relied on the various CPI cost information, information on gasoline prices, and miles driven data. In looking at the trend data, my judgment and interpretation of the trend data were influenced by my awareness and analyses of these external data.

Q. Please refer to line 12 of page C-1 of Exhibit RB-1 and explain the purpose of that line.

A. The average annual change in expense cost of 3.8% represents the expected change in general expenses, other acquisition expenses and unallocated loss adjustment expenses. These expenses are treated as fixed expenses and do not vary in direct relationship to the actual premium dollars. These expenses represent salaries, overhead, rents and expenses that should vary according to general economic trends and not as a direct function of how premium increases or decreases. For example, commissions are calculated as a percent of premium. If the premium rate goes up, the dollars of commission go up. On the other hand, the salary paid to an employee in the Home Office, which is a part of general expenses and other acquisition expenses, is not tied to premium. Just because premium may go up 10% does not mean that the employee's salary will go up 10%. The salary will be influenced by general economic trends and not what the premium level is doing. That is why general expenses and other acquisition expenses are treated differently from those expenses that vary as a function of premium in this filing.

Q. Would you explain how the 3.8% factor in line 12 was determined?

A. The average annual change in expenses is based on analysis of the latest average annual change in the All Items CPI and the Compensation Cost Index. The data are shown on pages D-11 and D-12 of the filing. Based on an analysis of this data, a selected factor of 3.8% is quite reasonable as the various fits examined showed an annual rate of change predominantly in the 3.03% to 4.62% range.

Q. How do you apply the average annual change in expenses set forth in line 12?

A. The procedures on how the average annual change in expenses is applied is described in footnotes (f) and (g) on page C-2. The expenses set forth on lines 5 and 6 are multiplied by the prospective trend factor to adjust the expenses for the projected future changes in expenses. The general and other acquisition expenses are trended to six months past the effective date and the unallocated loss adjustment expense is trended to the average date of loss for policies which will be written at the proposed rates.

Q. Will you explain line 16 on page C-1 entitled "Projected Losses and ALAE"?

A. The projected losses and allocated loss adjustment expenses of \$636,905,531 are the losses and allocated loss adjustment expenses set forth on line 3 multiplied by the total trend projection. This gives you the losses that we expect will be incurred under the revised rates.

Q. Line 13 on page C-1 and footnote (e) on page C-2 indicate that losses are trended for a period of 3.03 years. Will you explain how the 3.03 years of projection was calculated?

A. The incurred losses set forth on line 3 are the developed losses for the accident year ended December 31, 2006. These losses actually occurred during that time frame. The average date of loss of those accidents is the mid-point of that accident period or July 1, 2006. In order to adjust these losses to the future level expected to prevail under the proposed rates, you have to adjust them by the trend factor. The proposed effective date for purposes of the calculations in the filing is October 1, 2008. This means that policies will be written, assuming annual revisions, anywhere on average from October 1, 2008 through September 30, 2009. A policy written on the last day of that interval, September 30, 2009, assuming it is an annual policy, will expire on September 30, 2010. The period for which accidents will occur under these policies will be anywhere from October 1, 2008 through September 30, 2010. If you were to assume that all of the policies were annual policies, the average date of accident underlying the proposed rates would be the mid-point of that two-year period or October 1, 2009. If we were only talking about annual policies we would trend from the average date of accident underlying our base experience period, July 1, 2006, to October 1, 2009 - a period of 3.25 years. This would be the amount of the trend you would have to use in order to take your base losses and adjust them to the appropriate future level.

If you were to assume that all of the policies were six month policies, then a policy written on September 30, 2009 would expire on March 31, 2010. The period for which accidents will occur on these policies will be from October 1, 2008 through March 31, 2010. Thus the average date of accident underlying the proposed rates for 6 month policies would be the midpoint of that 18 month period, July 1, 2009.

In North Carolina, not all policies are annual policies. Most automobile policies in North Carolina are six-month policies (approximately 87% - see page D-6). Based on the "mix" of policy terms being written in North Carolina, the average date of loss will be July 12, 2009. Therefore, in order to adjust the base losses from July 1, 2006 level to July 12, 2009 level, it is necessary to apply the annual trend factors for a total period of 3.03 years.

- Q. Will you explain the projected ULAE in line 17 on page C-1 of the filing?
- A. These are the unallocated loss adjustment expenses in line 5 projected by the average annual change in expenses in line 12 to the average date of expense for policies issued under the proposed rates. These loss adjustment expenses have to be adjusted for the same 3.03 year period since loss adjustment expenses occur at approximately the same time that losses occur.
- Q. Will you explain line 18 entitled "Projected Losses and LAE per exposure"?
- A. What line 18 shows is the anticipated average cost per insured vehicle for losses and all loss adjustment expenses. The value is calculated by adding the projected losses and ALAE in line 16 and the projected ULAE in line 17 and then dividing the total by the earned exposures in line 7.
- Q. Will you explain line 19 entitled "Projected G & OA Expenses"?
- A. As shown in footnote (g) on page C-2, projected general and other acquisition expenses are the general and other acquisition expenses in line 6 projected by the average annual change in expense in line 12. The projected period of 2.75 years is utilized because general and other acquisition expenses are generally incurred at the time a policy is written as opposed to the date that a loss occurs. Therefore, the average date of expense is different from the average date of expense utilized for loss adjustment expenses. The trend period is from the midpoint of the year to April 1, 2009, the average date of expense for policies to be issued under the revised rates.
- Q. What does line 20 entitled "Projected Fixed Expenses per exposure" show?
- A. Line 20 entitled "Projected Fixed Expenses per exposure" takes the Projected G & OA Expenses shown on line 19 and divides them by the earned exposures in line 7. This figure represents the amount of expenses that will be incurred for general and other acquisition expenses on a per exposure basis.
- Q. What does line 21 entitled "Projected Loss, LAE and G & OA Expenses per Exposure" show?
- A. Line 21 is, as indicated, just a combination of lines 18 and 20; it is the sum of projected losses and ALAE, projected ULAE and projected general and other acquisition expenses all stated as an average amount per earned exposure. These are the projected costs that can be expected to be incurred during the experience period and are the major components for which the average rate will need to provide.
- Q. What does line 22 entitled "Percentage Dividends" show?

A Line 22 shows the Rate Bureau's selected provision of 0% for anticipated dividends to policyholders. This is based on the data shown on RB-5 which shows that dividends have been a small percentage of premium, generally in the range of 0.25%.

Q. What does line 23 on page C-1 entitled "Permissible Loss, LAE and G & OA Expense Ratio" show?

A. This line takes into account the other expense items, such as commissions and brokerage and taxes, and provides for underwriting profit. If you look at page D-20 of the filing, you can see that, for the liability coverages, the commissions and brokerage are 10.0% of the premium dollar, and taxes, licenses and fees are 2.1% of the premium dollar. The provision utilized in this filing for underwriting profit for liability is 8.0%, and there is a 0% margin for contingencies. All these items add up to 20.1%. These items are what are known as variable expenses. They vary in direct proportion with the premium dollar. You know that out of every dollar of premium you write, 20.1 cents will have to go to pay for these expenses and you are left with only 79.9 cents to pay for losses, loss adjustment expenses and general and other acquisition expenses. The permissible loss and fixed expense ratio shows the percentage of the premium dollar you will have available to pay for trended losses, trended loss adjustment expenses and trended general and other acquisition expenses.

Q. What is the source of the percentages on page D-20 with respect to commissions and brokerage and taxes, licenses, and fees?

A. They were calculated from the 2007 North Carolina expense call for 2006 data undertaken by the North Carolina Rate Bureau.

Q. Why does the filing this year contain a 0% provision for contingencies?

A. The 0% provision for contingencies was selected by the Rate Bureau after analysis like that used in past filings. They examined the underwriting results for all voluntary/standard business after consideration of dividends to policyholders and deviations from the Rate Bureau rates. These results were compared to the underwriting profit provisions contained in the Commissioner's decisions from past rate filings. These data are shown on Exhibit RB-6.

Q. Would you explain line 24 entitled "Adjustment Factor for Increase in MVR Expense"?

A. The Adjustment Factor for Increase in MVR Expenses is an adjustment made to the needed overall Projected Loss, LAE and Expenses per Exposure found in line 21 to account for the increase in MVR charge from \$5 to \$8, effective 10/1/2005. The factor of 1.0058 for the 2004 year was the amount that the Rate Bureau and the Department agreed to in the 2005 rate hearing as representing the effect on rates of the increase in MVR costs. Since the increase in MVR expenses was partially reflected in the 2005 experience and fully reflected in the 2006 experience, the adjustment factors for these years are

1.00435 and 1.0000, respectively. Because the Rate Bureau has developed the indicated rate by means of a pure premium analysis, these factors are applied multiplicatively to each coverage.

Q. Would you explain line 25 entitled "Premium Required per Exposure"?

A. This is the required amount of premium that the companies need to collect, on average, from each insured in order for the companies in the aggregate to have sufficient premium to pay the expected losses and expenses and allow for the companies in the aggregate to achieve the target profit provisions included in the Bureau filing. This amount is calculated by taking the Projected Losses, LAE and Expenses per Exposure, adjusted for the change in MVR fee, and loading them for the variable expenses such as commissions, taxes and profit. In effect, the Projected Losses, LAE and Expenses per Exposure are divided by the Permissible Loss, LAE and G &OA Ratio.

Q. What is the Distributional Adjustment Factor as shown on line 26?

A. The distributional adjustment factor as shown on line 26 is the average class factor reflecting the mix of the various use classes, inexperienced operator classes, multi car/single car risks and the average SDIP factor. It provides a measurement of how far from the base class on average the average risk is. For example, the 0.886 distributional adjustment factor for bodily injury liability indicates that, because of the application of these various rating factors, the average risk will pay 88.6% of the otherwise applicable base rate.

Q. Could you please explain line 27 entitled "Required 30/60/25 Base Class Premium"?

A. The figure shown on line 27 is the needed average base class premium statewide. It is determined by dividing the average premium in line 25 by the distributional adjustment factor in line 26. This is the average statewide premium required for a single car, pleasure use, no SDIP and no inexperienced operators risk. This premium will be used in the development of the territory base rates where it will be distributed based on the difference from the statewide average of each territory's three year pure premium.

Q. Are the calculations of the indicated average rate level for the property damage and medical payments coverages performed in the same manner as for the bodily injury coverage you just described?

A. Yes, while the inputs are obviously different for the different coverages, the calculations are performed in the same general manner.

As noted on page C-1, the medical payments indications are performed on a total limits basis. Therefore, there are no adjustments anywhere in the calculation to a basic limits basis. However, the distributional adjustment factor for Medical Payments will be that much larger, since as part of the calculation to put the premium at a base class level, the

premium must be presented at basic limits, and therefore the medical payments total limits premium is divided by the average increased limits factor in addition to the average class factor.

In addition, the three year average loss development factors for property damage and medical payments were based on the latest three years for each of the specific link ratios (15 to 27 months, etc.) as the change in reserving for the one large company did not apply to the property damage liability or medical payments coverage.

- Q. What are the indicated average rate level changes for bodily injury, property damage and total limits medical payments coverages resulting from the calculations on page C-1?
- A. The indicated average basic limits rate level changes for Bodily Injury and Property Damage resulting from the calculations on page C-1 are posted on page A-2. They are determined by taking the ratio of the statewide average required base class premium to the current statewide average base class premium. The required base class premiums by territory are determined by distributing the required base class premium, as shown on the appropriate statewide rate review pages (C-1 for Liability), using the relative changes by territory found in Column (7) on pages C-13 and C-14 and the appropriate expense flattening adjustment. The statewide average for both is determined by taking the weighted average by territory using the earned car years for the year ended 12/31/06.

As shown on page A-1, the result of all of these calculations is that the indicated average total limits rate level changes are 14.0% for bodily injury, 14.8% for property damage, and 9.3% for medical payments.

- Q. Page C-7 is entitled "North Carolina Private Passenger Automobile Insurance Physical Damage Coverages Statewide Rate Review Calendar Year Ended 12/31/06." What is displayed on that page?
- A. Page C-7 sets forth the calculations underlying the indicated average rate level based upon the year ended December 31, 2006, for the comprehensive and collision coverages in North Carolina. That is the latest available physical damage ratemaking data for North Carolina, including data on policies written under consent-to-rate programs. Policies written at or below manual rates are referred to in the filing as "voluntary" or "standard." Policies written under consent to rate programs are referred to in the filing as "consent to rate" or "nonstandard."
- Q. Referring to line 4 on page C-7 entitled "Incurred Losses," would you explain what the figure \$293,068,840 represents?
- A. These are the incurred losses for the comprehensive coverage for the year ended December 31, 2006. This figure results from adjusting the actual paid losses excluding excess wind and water losses for the year ended December 31, 2006 in line 1 to an incurred basis by multiplying by the factor of 1.002 shown in line 2 and then multiplying by the

excess wind and water factor of 1.062 shown in line 3. Exhibit RB-7 shows the derivation of the paid-to-incurred factor of 1.002. The paid-to-incurred factor is used in the calculation of physical damage rates because the losses for physical damage coverage are reported on a paid basis and must be adjusted to an incurred basis. The paid-to-incurred factor is calculated using Page 15 Annual Statement data for 2006, which includes data on policies written at downward deviated rates, policies written at manual rates and policies written under consent to rate programs. Page 15 data are data set forth on Page 15 of the Annual Statement that each company must file with the North Carolina Insurance Department. These are North Carolina only data.

The calculation of the excess wind and water factor of 1.062 is shown on page D-13 of the filing. Comprehensive coverages are subject to catastrophic influences, and it is therefore necessary to take a long-term look at the contribution to losses that are a function of wind and water or catastrophic type occurrences. A procedure which has been developed for use in automobile insurance ratemaking is to spread the excess years for the catastrophic losses over a thirty year period. Page D-13 shows this experience. Wind and water paid losses have been divided by total paid losses excluding wind and water for the comprehensive coverage in order to determine the long-term average wind and water ratio in North Carolina. Excess years are then shown in column 6 as those years with wind and water losses in excess of the long-term average. The excess portion of the losses has been spread over the time period in order to get an appropriate load for the prospective catastrophic losses. That catastrophe factor is 1.062.

— Q. Are you saying that the incurred losses of \$293,068,840 for the calendar year ended December 31, 2006 are not the total incurred losses for North Carolina comprehensive coverages for that calendar year?

A. That is correct. The actual incurred losses for the calendar year ended December 31, 2006 are as shown on Exhibit RB-8. The excess wind and water procedure smoothes the excess losses by backing them out of the rate level computation and including them in the excess wind and water calculation. This prevents shock influences in the rates associated with catastrophes.

Q. Page D-13 of the filing shows significantly more losses beginning in the year ended 12/31/99 than in the earlier years. Could you explain the reason for the increase?

A. The 1999 year had significant excess wind and water losses. In addition, 1999 and subsequent years include ISS data in the calculation of the Excess Wind and Water factor. The review of the data showed it to have results similar to the ISO only data.

I should also note that calendar year 1993 is the first year that Nationwide Insurance Company's data is included in this calculation. This is because that was the first full year that Nationwide's data was reported to ISO. The inclusion of Nationwide's data did not cause any material change to the results of this analysis. This is noteworthy in that it

reinforces the Rate Bureau's belief that the ISO only data is fairly representative of the wind and water loss data for the entire industry and that its use in this calculation is appropriate.

Q. Are loss adjustment expenses and general and other acquisition expenses in lines 6 and 9 of the physical damage coverages on page C-7 of the filing generated in the same manner to which you testified with respect to the liability expenses?

A. Yes. The only exception is that the loss adjustment expenses set forth on line 6 are all loss adjustment expenses for the physical damage coverages. The allocated loss adjustment expenses are not separately identified for physical damage losses and therefore line 6 contains all loss adjustment expenses, both allocated and unallocated. Unlike the liability coverages, there are no loss adjustment expenses included in the incurred losses in line 4 of this calculation. Also, the general and other acquisition expenses are without any adjustment for basic limits.

Q. Would you explain the difference between line 11 on page C-1 of the filing with respect to liability coverages entitled "Average Annual Change in Losses and ALAE" and line 10 on page C-7 of the filing with respect to physical damage coverages entitled "Average Annual Change in Losses"?

A. There are no differences. The average annual change in losses on page C-1 for liability coverages and the average annual change in losses on page C-7 of the filing with respect to physical damage coverages measure the same types of changes. Both of these numbers measure the change in frequency of loss and in severity of loss. Based on the frequency and cost trends I have previously indicated, the pure premium loss trends used in the rate level calculations for the comprehensive and collision coverages are -2.0% and 3.0% respectively.

Q. Line 11 of page C-7 shows an average annual change in expense costs for both the collision and comprehensive coverages of 3.8%. Is that the same 3.8% average annual change in expenses about which you testified earlier with respect to the liability coverages?

A. Yes.

Q. Was it calculated and applied in the same manner as you have previously testified with respect to the liability coverages?

A. Yes.

Q. You have previously testified as to how, for the liability coverages, the annual loss trends are applied to losses in order to determine trended losses. For the physical damage coverages, are the trends applied in the same manner to determine trended physical damage losses?

A. Yes, they are applied exactly the same way.

Q. Are the remaining portions of the rate level calculation with respect to the physical damage coverages performed in the same manner as the liability coverages?

A. There is one difference from the liability calculation. In the physical damage coverages, which are rated based on the model year of the vehicle and the symbol, the rate for vehicles increases as a new model year is introduced or a vehicle is assigned a higher symbol. Because of this it is necessary to reflect the additional revenue that can be anticipated because of the prospective distribution of vehicles by model year and symbol. This has been accounted for by the model year and symbol trend factors displayed on lines 25 and 26.

Q. Could you explain how the increase in premiums reflecting the prospective distribution of symbols was calculated in this filing?

A. The required average premium per exposure for the comprehensive coverage and for the collision coverage has been adjusted by annual effects of 1.0% and 0.0% per year respectively. The Automobile Committee selected these percentages after examining the change in average symbol relativities on the current table. Pages H-535 and H-536 display average relativities from the current table on a year-ended semiannual basis. The selected annual changes used in the calculation of the symbol trend factor in line 26 on page C-7 were based on an examination of the most recent one year, two year, three year and four year changes. These selections are reasonable based on my examination of the data. The selected annual changes were applied from the average date of writing for policies that are earned in the latest year to the average date of writing for policies that will be written under the proposed rates.

Q. What are the results of these adjustments?

A. Line 28, the Required Base Class Premium, reflects the results of applying the model year and symbol trend factors and provides the appropriate base class premium for each coverage.

Q. Are all other calculations for the physical damage coverages, such as the inclusion of fixed and variable expenses, treated in the same way as the liability coverages?

A. Yes.

Q. Does this filing propose any change in uninsured and underinsured motorists coverage rates?

A. The filing proposes a decrease for uninsured motorists coverage rates and an increase in underinsured motorists coverage rates.

Q. How has the rate for uninsured motorists coverage been calculated?

- A. The basic limits uninsured motorists coverage shown on page E-1 was reviewed on a combined voluntary and ceded basis. The incurred losses have been limited to 30/60 for UMBI and \$25,000 for UMPD. They have been adjusted for unallocated loss adjustment expense, and the UMBI losses have been developed by North Carolina UMBI loss development factors, the calculation of which is found on page E-3. Please note that the loss development factors for UMBI are based on the average of the latest five years of available data. The UMPD losses have been developed using the UMPD loss development based on the average of the latest five years of available data as shown on page E-4. The combined UMBI and UMPD losses have been trended with an annual trend factor of 0.0%. The trended losses are compared to the earned exposures and loaded for expenses in the same manner as bodily injury, property damage and medical payments to produce the required premium per exposure.

Page E-1 shows the rate calculations based on the most recent three years, and line 23 shows the basic limits rate as the exposure-weighted average of the required basic limit premium per exposure from the three latest years. The Rate Bureau weighted the three years on exposures instead of premium as part of its change to a pure premium methodology in the 2003 filing. The same calculations are shown on page E-2 on a total limits basis.

- Q. What is the resulting change for UM?
- A. The resulting change for UM selected by the Bureau is -11.8% for the 30/60/25 limits and -5.5% for total limits. These reflect an effective date of October 1, 2008 for new and renewal business.
- Q. How were the filed rate changes for UM determined?
- A. As derivable from the material on page E-9 of the filing, the Rate Bureau elected to file an effective change of -11.8% for basic limits 30/60/25 UM (revised rate of \$15 compared to a current of \$17) and selected changes for the higher limits of UM based on an excess limits change of +37.2%. This produced, including the effect of stacking and after whole dollar rounding, a total limits effect of -5.5%.
- Q. Does this filing also include a change to the bodily injury underinsured motorist coverage?
- A. Yes, it does.
- Q. Please explain the manner in which these changes were developed.
- A. The change in the increments for bodily injury underinsured motorists (UIM) are based on an analysis of 3 years of Underinsured Motorist experience as shown on page E-11 and E-12. These pages display the experience review and subsequent calculation of the filed rates for the Underinsured Motorists coverage.

The indicated required premium per exposure of \$39.88 as shown on Line (15) of page E-11 represents a 103.4% increase from the current average premium per exposure of \$19.60.

Q. How was the filed change of 103.4% determined?

A. As shown on page E-12, the ratio of the selected average rate and average present rate was applied uniformly to each of the present rates. Then for each limit, the indicated UIM rate was rounded to a whole dollar rate. These whole dollar rates were weighted by the policy limit distribution to produce an average filed rate. This filed average rate was compared to the current average rate to give us the filed average change.

Q. How are motorcycle insurance rates determined in North Carolina for the liability coverages (bodily injury, property damage and medical payments)?

A. The indicated rate changes are calculated separately using motorcycle experience in North Carolina. The resulting rates are then presented as a percentage of the rates applicable to private passenger non-fleet automobile insurance. The percentage is what is commonly referred to as a "relativity." If, for example, the motorcycle's engine size is 499 cubic centimeters or less, the indicated relativity for the bodily injury and property damage liability coverage is 15% of the rate for private passenger non-fleet automobile insurance. Similarly relativities for engine size groups (in cubic centimeters) of 500 to 1249, 1250 to 1499 and 1500 and up are also currently displayed. The same indicated relativity of 35% applies for Medical Payments for all engine size groups.

Q. Given the fact that motorcycle rates are shown in the manual as a percentage of rates for private passenger non-fleet automobile insurance, what would the effect be on motorcycle rates of a 14.3% increase in automobile liability insurance rates for the bodily injury and property damage coverages?

A. If the motorcycle rate relativities are not adjusted, a 14.3% increase in the automobile liability insurance rates would automatically result in the same approximate percentage increase in the motorcycle liability rates.

Q. Does Exhibit RB-1 contain calculations which seek to determine what the indicated change in rates should be for the motorcycle liability coverages?

A. Yes. Page F-2 of the filing shows that for voluntary and ceded business a 0.7% increase is needed for the bodily injury, property damage and medical payments motorcycle coverages.

Q. Please refer to page F-2 of the filing and explain how the indicated rate change of 0.7% was determined.

A. The figures shown on lines 1, 2 and 5 of page F-2 were reported to the Rate Bureau by its member companies in response to a call for motorcycle data issued by the Rate Bureau. The information was compiled by the Rate Bureau and then furnished to ISO. The earned

premiums at present rates were calculated by means of an actuarial technique known as earned on level factors. This technique uses adjustment factors to reflect the impact of any rate level changes made during and subsequent to each calendar year to bring the historic data up to current level.

Line 3 is a factor based on the total loss adjustment expenses for all three years in the experience period divided by the total incurred losses for the three-year period. The Rate Bureau made this change several years ago because the calendar year incurred loss adjustment expenses reported in the Rate Bureau call were significantly impacted by reserve changes. The method selected by the Bureau smoothes out the impact of any such changes. The resulting loss adjustment expenses are the products of the factor on line 3 and the incurred losses on line 2. These are displayed on line 4.

The figures shown on line 6 are the annual percentage trends in losses. They were determined by taking a weighted average of the trends used to calculate automobile rates for bodily injury, property damage and medical payments coverages.

The figure in line 7 for average annual change in expense costs is 3.8% per year. This is the same prospective expense trend figure that was used in the Rate Bureau's automobile insurance filing. The 3.8% figure was determined and applied in the same manner as in the automobile coverage.

The figure for projected losses in line 8 is simply the amount shown in line 2, with the annual percentage trend from line 6 applied. The manner in which the trend is applied is the same as was used in the automobile filing. The procedures for trending the loss adjustment expenses (line 9) and the general expenses and other acquisition expenses (line 10) are also the same as were used in the automobile filing. Line 11 is simply the total of lines 8, 9 and 10.

The projected loss, LAE and G & OA expense ratio shown in line 12 is simply line 11 divided by line 1. Taking the year ended 12/31/06, for example, \$21,165,295 shown in line 11 is divided by the \$24,908,420 in line 1. The result is .850. What this means is that, if rates are not changed, 85.0 cents of every dollar of premium will be needed to cover losses, loss adjustment expenses, general expenses and other acquisition expenses.

- Q. How was the Permissible Loss, LAE and G & OA Expense Ratio in line 13 calculated and what is their significance?
- A. There are certain expenses which vary in direct proportion to the premium dollar. For example, commission and brokerage are determined as a percentage of written premiums. Likewise, taxes vary on the basis of written premium. The percentages used to determine the permissible loss, LAE and G & OA expense ratio in line 13 are shown on page F-4 of the filing and are as follows for the liability coverages:

	2004	2005	2006
Commission and Brokerage	10.3%	9.1%	10.1%
Taxes, licenses, etc.	<u>2.1%</u>	<u>2.0%</u>	<u>2.2%</u>
	12.4%	11.1%	12.3%

In addition, the filing includes a provision of 8.0% for profit and a 0% provision for contingencies. When these are added to the combined amounts for commission and brokerage and taxes, licenses, etc., the results for three years are 20.4%, 19.1 and 20.3% respectively. The figures shown on line 13 of page F-2 are simply the difference between 1.000 and the percentage figures I have just mentioned. For example, the variable expenses plus profit and contingencies for 2006 were 20.3%. 1.000 minus 0.203 is equal to 0.797. What this means is that if 20.3 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have only 79.7 cents available to pay losses, loss adjustment expenses, general expenses and other acquisition expenses.

Since line 12 tells us that, based on the 2006 data, we will need 85.0 cents of every premium dollar to pay for the losses and the fixed expenses and line 13 tells us that we will have 79.7 cents available for those purposes, we can divide line 12 by line 13 (and adjust this for the increase in MVR fees as shown in line 14 that became effective after the experience period, for 2004 and 2005) in order to get the percentage rate change which is necessary. The indicated percentages are 0.5%, -5.1% and 6.6% for the years 2004, 2005 and 2006 respectively.

- Q. How was the figure in line 16 entitled "Final Selected Rate Level Change" determined?
- A. Line 16 is simply the weighted average of the three figures shown in line 15. In other words, we have weighed the 0.5%, -5.1% and 6.6% by premiums in line 1. The resulting average is 0.7%.
- Q. You indicated that the Rate Bureau's automobile rate filing was for an average increase of 14.3% for the bodily injury and property damage liability coverages combined and that if the motorcycle relativities were not adjusted the result would be a similar change in motorcycle rates. Please explain how the new relativities proposed in the motorcycle filing were determined for the liability coverages.
- A. The determination of the revised liability relativities for motorcycles is shown on page F-6 of the filing. What this shows is that if the bodily injury and property damage liability insurance rates increase 14.3% and the motorcycle liability insurance rates go up 0.7%, the current motorcycle liability relativities should be multiplied by 1.007/1.143 or .881. Thus, the present liability relativity for motorcycles having engines of up to 499 cubic centimeters should be decreased to approximately .150. The same adjustment factor is applied to each engine size group and the calculation is shown on page F-6. The filed relativities are the indicated relativities rounded to two decimal places. The relativity changes proposed in the

filing are actuarially sound and proper assuming that the liability rate changes proposed in the rate filing by the Rate Bureau for private passenger non-fleet automobile insurance are fully implemented. If those changes are not fully implemented, the proper relativities can be calculated by the following formula:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times 1.007}{\text{Manual Rate Change in Auto BI/PD or Medical Payment Rates}}$$

- Q. Does this filing propose any changes to the factors for higher limits of liability insurance?
- A. The filing includes changes for the factors for higher limits of bodily injury and property damage liability coverages.
- Q. What are these indications based on?
- A. The indicated changes are based on an assumed effective date of October 1, 2008. The indicated changes are based on an analysis comparing the ratio of total limits losses to basic limits losses for the latest three accident years ended 12/31 to a projected average increased limits factor. Based on this analysis, the indicated change for total limits bodily injury liability is 6.0% and the indicated change for total limits property damage liability is a decrease of 0.4%.
- Q. Could you briefly describe the development of the overall change for bodily injury liability?
- A. The overall change for bodily injury is based on comparing the ratio of total limits to basic limits losses to a projected average increased limits factor. On page G-2, basic limits losses are developed and trended to the average date of accident (7/12/09). The basic limits trend factor of 5.0% was used in this analysis. The total limits losses are also trended to the average date of accident (7/12/09). The total limits trend factor used in this analysis was 6.0%. This is based upon the total limits cost trend data contained on page H-483, showing fitted changes of 4.6% for the latest 15 points, 5.1% for the latest 12 points, 6.8% for the latest 9 points and 8.5% for the latest 6 points. After the total limits and basic limits losses have been trended, we sum the three years and then take the ratio of total limits losses to basic limits losses. This ratio is in effect our indicated increased limits factor (line 13 of page G-2). In order to calculate the needed total limits change, this ratio is compared to the average increased limits factor (line 14 of page G-2).
- Q. Why do you combine three years of data when doing the increased limits review?
- A. The three years of data are combined because of concern for stability. Because we are looking at losses at very high limits, they can be much more unstable than basic limits. Averaging across a longer time period tends to smooth out the shock effects of individual large losses.

- Q. How were the revised bodily injury increased limits factors determined?
- A. The revised bodily injury increased limits factors displayed on page G-4 were developed by means of a procedure known as the uniform excess change method. As part of the calculation of the overall need, the methodology compares the portion of the losses over the basic limit to the portion of the premium that is above the basic limit. In this case the calculation produces a percentage difference of 36.4%. What this says is that the portion of the premium over the basic limits must increase 36.4% so that the excess losses and excess premium are in balance. In this filing the Bureau applied this factor uniformly to all limits. The overall effective change of the revisions to the Bodily Injury increased limits factors is +6.1%, as determined on page G-6.
- Q. Are the calculations of revised increased limits factors for the property damage performed in the same manner as for the bodily injury coverage you just described?
- A. Yes, while the inputs are obviously different for Property Damage, the calculations are performed in the same general manner (see pages G-3 and G-5). The only difference in the calculation of the overall change for Property Damage is that the basic limits and total limits claim cost trend is assumed to be the same.
- Q. Does the filing include a revision of the present territorial relativities?
- A. Yes. In connection with the overall changes we have been discussing, new territory rates are displayed; these are shown on pages B-1 and B-2. In these rates, the new territorial relativities are determined in such a way that no overall statewide rate level change is caused. In other words, the relativities are revised based on each territory's indications.
- Q. How has the Rate Bureau treated general and other acquisition expense by territory?
- A. The Rate Bureau has treated 100% of general expense and other acquisition as not varying by territory.
- Q. How has the Bureau considered deviations in this filing?
- A. The Bureau has considered deviations in this filing by using the data from all risks as the basis for determining the Rate Bureau manual rates. By calculating the manual rates using the experience of all risks, the Bureau recognizes that there will be risks that will be written at rates lower than the manual rates, through downward deviations, and risks that will be written at rates higher than the manual rate, either through physical damage consent to rate or pointed liability risks ceded to the Facility. This method is a market-based treatment of deviations and recognizes that risks will pay a range of rates around the Bureau manual rates. Setting the Bureau manual rates this way provides a balanced treatment grounded in the economic reality of the marketplace—around the average, some pay more and some pay less—that is what having an average means.
- Q. What does Exhibit RB-5 show?

A. Exhibit RB-5 displays the historical difference between the premiums that would have been generated by the manual rates in effect at different times throughout the period shown and the premiums generated on voluntary liability and standard physical damage business by the rates actually charged to those policyholders by the companies. Exhibit RB-5 also displays the policyholder dividends paid during the period shown. These data come from the Rate Bureau's annual special call for expense experience and Page 15 of the NAIC Annual Statement. The exhibit sets forth the historical levels of downward deviations and policyholder dividends on voluntary liability and standard physical damage private passenger non-fleet automobile business in North Carolina.

Q. Please turn to page A-1 of Exhibit RB-1 and explain what is shown on that page?

A. Page A-1 of Exhibit RB-1 shows the filed rate level changes. These percentage changes relate the filed rate levels to the current Bureau manual rate levels. For Bodily Injury and Property Damage Liability the changes shown on page A-1 reflect the combined effects of the basic limits changes shown on page A-2 and the effect of the revisions to the increased limits factors as shown on page G-6. The overall percentages are calculated by multiplying the changes shown for each coverage by the total limits premium for each of the coverages and then dividing by the total premium for all coverages in order to calculate what the average impact is for each category. The premiums that were utilized for this calculation are shown on page A-1.

Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level changes contained in the filing are sound and actuarially reliable and, if so, what is that opinion?

A. Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Rate Bureau are consistent with generally accepted actuarial procedures and they are actuarially sound and reliable.

Q. Do you have an opinion as to whether the filed rate level changes contained in Exhibit RB-1 are fully justified and, if so, what is that opinion?

A. In my opinion, they are fully justified and are not excessive.

Q. Do you have an opinion as to whether the data utilized and the methods of calculating and determining the filed changes to the territorial relativities contained in the filing are sound and actuarially reliable and, if so, what is that opinion?

A. Yes. My opinion is that the data utilized and the methods used to calculate and determine those changes are consistent with generally accepted actuarial procedures and are actuarially sound and reliable. Further, in my opinion, the filed relativities are fully justified.

Q. Are there any qualifications you wish to attach to your opinion?

A. Yes. In reaching my opinion, I have relied on the accuracy of the data supplied by the Rate Bureau and the ISS and NISS and I have relied on Professor Vander Weide and Dr. Appel for the determination of the appropriate profit component of the rates.

Prefiled Direct Testimony

of

Michael J. Miller

on behalf of the

North Carolina Rate Bureau

pertaining to the

**Private Passenger Nonfleet
Automobile Insurance Rate Filing**

February 1, 2008

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Introduction

Q.1 Please state your name, business affiliation and address.

A.1 My name is Michael J. Miller. I am a consulting actuary with EPIC Consulting, LLC.
My business address is Carlock, Illinois.

Q.2 Please describe your employment background.

A.2 I was first employed in the insurance business in 1967 by State Farm in its auto actuarial department. During my tenure at State Farm, I was responsible for pricing auto insurance and for making rate filings in the United States and Canada. From 1984 through 1993 I was employed by Tillinghast, an international actuarial and management consulting firm. I was a principal of Tillinghast and served as manager of its property and casualty products and pricing practice. From January 1994 through 2002 I was a consultant with Miller, Herbers, Lehmann. At the beginning of 2003 we organized a new consulting firm, EPIC Consulting, LLC. For a brief period of time we moved our practice into the Towers Perrin organization, but in early 2006 I reconstituted the EPIC Consulting practice.

Q.3 Please describe your professional qualifications and activities.

A.3 I am a Fellow of the Casualty Actuarial Society (CAS) and a member of the American Academy of Actuaries. I have served the CAS as a director (two terms), an officer, and as chairperson of several professional committees. Much of my work on behalf of the profession has focused on the development of statements of actuarial principles and

standards of practice. A more complete description of my educational background and professional activities is set forth in a curriculum vitae which is labeled Exhibit RB-13.

As a member of the CAS and the American Academy of Actuaries I am required to satisfy prescribed basic education, experience, and continuing education requirements in order to render certain public opinions. I meet the basic education, experience and continuing education requirements to render this actuarial opinion.

Q.4 Have you previously been offered and accepted in North Carolina as an expert witness in property and casualty actuarial science, including ratemaking and the determination of expected costs?

A.4 Yes. I was first so qualified in North Carolina in about 1972 and have testified as an actuarial expert on many occasions in North Carolina since that time.

Q.5 What services did the Rate Bureau ask you to perform in connection with its 2008 filing for revised private passenger auto and motorcycle rates?

A.5 I was requested to provide actuarial advice and consultations to the Automobile Committee of the Rate Bureau in its review of the data and preparation of the indicated rates and to provide this testimony which explains the basis for my actuarial opinion of the rate filing.

Q.6 Have you provided the requested services?

A.6 Yes. I attended a meeting of the Automobile Committee on December 6, 2007. I also participated in telephone conferences of that Committee on January 11, 2008 and January 16, 2008. These conferences ultimately resulted in the filing submitted February 1, 2008.

Q.7 What actuarial principles and standards were applied in the preparation of the rate filing?

A.7 The filing has been prepared consistent with the CAS Statement of Principles Regarding Property and Casualty Insurance Ratemaking. That Statement of Principles is attached as Exhibit RB-14. I have also attached, as Exhibit RB-15 through Exhibit RB-20, six Standards of Practice promulgated by the Actuarial Standards Board which I consider to be directly relevant to the actuarial work related to this filing. These Standards of Practice cover the topics of trending, expert testimony, data quality, credibility procedures, expense provisions and profit and contingency provisions.

In addition to the actuarial standards, the rate standards set forth in North Carolina's insurance statutes have also been applied. The statutory standards that rates must be neither excessive, inadequate, nor unfairly discriminatory are actuarial terms of art (see CAS Statement of Ratemaking Principles). These standards are common to the rate regulation statutes of most states. As recorded in actuarial and insurance literature, these three rate standards have historically been defined in terms of expected losses and expected expenses.

Data Quality

Q.8 Is it your professional responsibility to review the data underlying this rate filing for reasonableness?

A.8 Yes. As an actuary I am not professionally required to conduct an audit of the data for accuracy. But actuaries should review the data being analyzed for reasonableness and consistency with the data used in the prior analysis. If the actuary becomes aware of any material imperfections in the data being analyzed, those material imperfections and their potential impact on the actuary's opinion should be disclosed to the users of the opinion. I have attached as Exhibit RB-17 the Actuarial Standard of Practice on Data Quality which describes the actuary's responsibility for the quality of the data.

Q.9 What constitutes a material imperfection in the data?

A.9 There may be no scientific answer to that question. The clear implication of the materiality standard is that some errors in the data are tolerable and do not necessarily render the data unreliable. I doubt that any large database, insurance data or otherwise, is 100% error-free. In my judgment, if insurance data are being used to estimate loss ratios or expense ratios and the data imperfections are only affecting the ratios in the third or fourth decimal place, then ordinarily that would not be a material imperfection. Insurance ratemaking by its very nature involves the estimation of future costs. To expect precision in the estimates in the third decimal place and beyond is simply expecting too much precision in the projection process. Projecting future costs cannot be expected to be precise to the third decimal place, so requiring precision to the third and fourth decimal place of the data being analyzed is likewise unreasonable.

Q.10 Are you aware of any material imperfections in the data underlying this filing?

A.10 No.

Q.11 What checks for reasonableness of the data in this filing have you performed?

A.11 I compared each year's aggregate premiums, undeveloped loss data, loss development data, trend data and expense data to the data used in previous rate filings and reviews. This gives me a good way to check for year-to-year consistency in the data reported for each year in this filing.

I am also generally familiar with the internal edits of data performed by insurers before the data are reported to a licensed statistical agent. I am aware that those statistical agents also have extensive edit checks of the data. After the North Carolina data from the statistical agents are consolidated, the consolidation is reviewed by actuaries from the Insurance Services Office, actuaries from the Automobile Committee of the Rate Bureau, and myself. After the filing is submitted, the data are further reviewed by actuaries employed by or representing the North Carolina Department of Insurance.

This series of edits and reviews certainly does not guarantee perfection in the data, nor does it provide a 100% guarantee against material errors. But this series of edits should give the Commissioner some assurance that the aggregate data are reliable for the purpose to which the data are being used.

Q.12 Has there been more extensive checking of the data in this filing than was done for older Rate Bureau filings?

A.12 Yes, over the past several years the Rate Bureau has strengthened its data editing processes for the data it receives directly from insurers through its Call for Automobile and Motorcycle Expense Experience. After the hearing on the 2002 rate filing I worked with the Rate Bureau to define and implement additional edit checks and tolerance levels for these data.

Q.13 What do you mean by tolerance levels?

A.13 The edit checks include a year-to-year comparison of expense ratios being reported by each insurer. If the expense ratios remain relatively constant, then the tolerance levels allow those expenses to pass without further check. But if an expense ratio changes more than the tolerance level allows, the data is “flagged” for further review by the Rate Bureau. This further review involves the Rate Bureau contacting the insurer and seeking explanation as to why the ratio has changed. By setting the tolerance levels even tighter than I proposed, the Rate Bureau’s editing checks will be “flagging” even more data elements for follow-up review.

One of the problems with which we are confronted is that the data being reported are on a calendar-year basis. This is a significant consideration when editing loss adjustment expenses (i.e., defense and other adjustment expenses). There can be significant changes in loss adjustment expense reserves for claims from prior accident-years that impact the current calendar-year. These reserve changes can cause a significant and legitimate

change in the loss adjustment expense ratios from one calendar-year to the next. Just because a change in an expense ratio exceeds the Rate Bureau's tolerance levels does not necessarily mean there is an error in the reported data.

Q.14 What additional data edits did you recommend to the Rate Bureau?

A.14 The Rate Bureau was already reconciling the actual written premiums, earned premiums, incurred losses, ALAE, commissions and taxes, licenses and fees which were reported on the Expense Call to what was reported on each insurer's Annual Statement Page 15. I recommended additional reconciliation checks for unallocated loss adjustment expense ratios, other acquisition expense ratios and general expense ratios to the ratios shown on each insurer's Insurance Expense Exhibit.

I also recommended a series of edits to check the reasonableness of the earned premiums in relation to the written premiums; the reasonableness of the relationship of loss adjustment expenses to incurred losses; the year-to-year consistency in the expense ratios; and the reasonableness of the relationship between manual and actual earned premiums. All of these year-to-year consistency checks were also to be applied to the motorcycle data.

I have found nothing to suggest that this database contains errors of sufficient magnitude to have a material impact on the indicated statewide average rates in this filing.

Q.15 How are the data from the Annual Expense Call used in the Rate Bureau's rate filing?

A.15 The private passenger automobile data are used to calculate the industrywide average ratio of unallocated loss adjustment expenses to the sum of the incurred losses and ALAE for the liability coverages; the industrywide average ratio of all loss adjustment expenses to incurred losses for the physical damage coverages; the industrywide average ratios of commissions and taxes, licenses and fees to written premiums; the industrywide average ratios of other acquisition and general administrative expenses to earned premiums; and the historical levels of policyholder dividends and rate deviations.

Q.16 How do the uses of the data affect your determination as to what constitutes a material imperfection in the Annual Expense Call data?

A.16 The automobile database with which we are working has over \$2.5 billion of liability premiums annually and over \$1.6 billion of physical damage premiums annually. There can be \$2.5 million of net error in any one of the liability expense categories and \$1.6 million of net error in any one of the physical damage expense categories before the industrywide expense ratios are affected by even one point in the third decimal position of an expense ratio.

Q.17 What do you mean by net error?

A.17 I mean that in any large database there will likely be some errors where expenses are being underreported and other instances where expenses are erroneously high. It is the sum of these offsetting errors that is of concern when calculating industrywide average ratios. If the errors are exactly offsetting, then the ratios we are trying to determine will be totally unaffected by any errors in the data. In other words, there can be errors in the

absolute dollar values of the premiums, losses, and expenses being reported and yet have little or no impact on the ratios of interest.

Q.18 Doesn't accuracy in the third decimal place of any calculation affect what North Carolinians pay for auto insurance?

A.18 No. There are innumerable judgments and calculations that go into this rate filing. An error of a point or two in the third decimal position of a ratio that is part of the rate calculation has no material impact on anyone's rate unless you make the unrealistic assumption that every other piece of the rate calculation was precisely correct. It should also be remembered that the final rates are rounded to the nearest whole dollar, making precise accuracy in the third decimal place even less important.

In my opinion, it makes no sense to make an extraordinary effort to squeeze every dollar of potential error out of a database if there is no more impact than a point or two in the third decimal place of a ratio. The ratemaking process is simply not precise enough to demand complete accuracy in the third decimal place and beyond.

Prospective Ratemaking

Q.19 What does it mean to say that insurance ratemaking is prospective in nature?

A.19 It means that rates are based on the expected value of future costs. Specifically in this filing, rates are proposed to be revised for all new and renewal private passenger and motorcycle policies effective on or after October 1, 2008. The proposed rates are therefore based on the costs which are expected to be incurred on those policies effective on or after October 1, 2008.

Q.20 What future costs are included in the rate calculation?

A.20 The CAS has defined the costs which actuaries should include in the rates to be incurred claim losses, all claim settlement expenses, commission and brokerage expenses, other acquisition expenses, general administrative expenses, miscellaneous taxes, licenses and fees, policyholder dividends, contingencies, and profit. The North Carolina insurance rate statute, like that of most other states, includes similar costs when it refers to losses, expenses, profit, contingencies, and dividends, savings, or unabsorbed premium deposits allowed or returned by insurers to their policyholders. The costs included in this filing are consistent with the actuarial principles of ratemaking and the North Carolina insurance rate statutes.

Q.21 In the CAS Statement of Ratemaking Principles, is the term “costs” interchangeable with the term “expenses”?

A.21 No. I was a principal author of the Statement of Ratemaking Principles. The term “costs” was used because it was considered to be a broader term than “expenses.” In the

insurance industry, expenses are commonly considered as a provision in the rate that is distinct from the provisions for claim losses, policyholder dividends, contingencies, and profit. Most insurance professionals use the term expenses to refer to claim settlement expenses, acquisition expenses, general administrative expenses, or taxes, licenses and fees. It would have been confusing to people if we had labeled claim losses, policyholder dividends, contingencies, and profit as expense items.

We were also aware that most states have rate regulatory laws, like that of North Carolina, which refer to claim losses, policyholder dividends, contingencies and profit as being separate and distinct from expenses.

Q.22 The CAS Statement of Ratemaking Principles refers to future costs associated with the transfer of risk. What is the significance of the term “transfer of risk” in this context?

A.22 The early drafts of the Statement referred to costs related to insurance. In order to clarify that the Statement applied to all risk transfers, not just traditional insurance operations, the insurance terminology was broadened to include all risk transfer mechanisms. It was never the intent for the “transfer of risk” terminology to imply that some of the costs of an insurance operation were to be included and some were not. The Statement is very clear that all costs are to be included, and those costs are specifically defined and listed in the Statement.

Q.23 Does the fact that rates are based on future costs mean that historical loss and expense data are irrelevant?

A.23 No. The historical data, to the extent of actuarial credibility, can provide a reliable basis upon which the prospective costs are developed.

Q.24 Are the rates proposed in the subject rate filing based on prospective costs?

A.24 Yes. Each of the provisions in the proposed rates in this filing is based on prospective costs.

Ratemaking Methodology

Q.25 What ratemaking methodology did the Rate Bureau use in this rate filing?

A.25 The Rate Bureau used a methodology that is commonly referred to in the actuarial profession as the “pure premium method.”

Q.26 Is the pure premium method the same methodology used by the Rate Bureau in its past rate filings?

A.26 The pure premium method has been used by the Rate Bureau beginning with the 2003 rate filing. In filings prior to 2003 the Rate Bureau used the “loss ratio method.”

Q.27 Is the pure premium method the same as the loss ratio method?

A.27 The two methods are mathematically equivalent and can be expected to produce identical indicated rates, if the two methods are applied to the same database and identical assumptions and judgments are utilized in the formula for each method. The pure premium method uses the cost provisions of a rate to build the indicated rate directly without reference to the current rates being charged. In other words, the indicated rate is the sum of a provision for claim losses, plus provisions for the various expense components, plus a provision for profit.

The loss ratio method uses the same cost provisions of a rate as are used in the pure premium method, but rather than calculating the indicated rate directly, the loss ratio method relates the cost provisions to a rate base and produces an indicated percentage change in the rate base being tested. The pure premium method produces the indicated

rate without reference to the current rate level or any rate level, whereas the loss ratio method derives the indicated rate by first calculating an indicated percentage change in the rate being tested. The two methods result in the same indicated average rate level if all projected costs in the two formulae are the same.

Q.28 If the two ratemaking methods are mathematically equivalent, why did the Rate Bureau choose in 2003 to change to the pure premium method rather than continue with the loss ratio method?

A.28 Prior to the 2003 rate filing there was a substantial and time-consuming debate between the Rate Bureau witnesses and the Department witnesses as to whether the rate level to be tested by the loss ratio method should be the premiums that would have been generated had every insurer in North Carolina charged the rates in the Rate Bureau's rate manual, or whether the rate level to be tested should be based on the premiums actually charged by this hypothetical, single insurer representing all North Carolina insurers combined.

The use of the pure premium method makes irrelevant any debate over the rate level to be tested. The pure premium method does not test any rate level, current rate level or otherwise, as part of calculating the indicated rate. The focus of the pure premium rate analysis is entirely upon the cost provisions which should go into the indicated rate without reference to any current rate, manual or actual. The pure premium method sets out clearly each of the provisions for losses, expenses, profit, contingencies, and policyholder dividends that go into the rate calculation. The pure premium method

makes it more evident to everyone that the indicated rate is always, and solely, a function of the expected losses, expenses, profit, contingencies and policyholder dividends.

Database

Q.29 What data are utilized in Exhibit RB-1?

A.29 There are a variety of data presented in Exhibit RB-1. The type of data and the length of the historical database reviewed depends upon the particular element of the rate formula being analyzed. The attached Exhibit RB-21 provides a list of most elements of the rate review and the nature of the data reviewed for each element.

Q.30 Why are some of the data listed in Exhibit RB-21 stated on a calendar-year basis and some on an accident-year basis?

A.30 The term accident-year has meaning only with respect to loss and allocated loss adjustment expense data. All other expense and premium data are accounted for on a calendar-year basis.

Claim loss experience can be accounted for on a number of different bases, including calendar-year or accident-year. The claim loss experience for the private passenger auto bodily injury liability, property damage liability, medical payments, and uninsured motorist coverages are stated on an accident-year basis in this filing. The claim loss experience of the comprehensive and collision coverages are on a calendar-year basis.

The accident-year accounting method for the liability coverages and the calendar-year method for the physical damage coverages are well-established actuarial procedures. These methods of accounting for the claim loss data have been used consistently by the Rate Bureau in past North Carolina auto insurance rate filings.

Q.31 As shown in Exhibit RB-21, why does the number of historical years of data reviewed vary from one rate element to another?

A.31 The number of historical years of data reviewed varies by rate element because every segment of the rate analysis is focused on determining the best estimate for each specific cost provision that is to be included in the rate. Sometimes the most credible estimate can be derived only from a very long experience period, such as the catastrophe loss provision for the comprehensive coverage, and sometimes the very latest data provide the most credible estimate of the prospective cost for a specific element of the rate. It depends entirely upon the nature of the rate element being analyzed as to whether a long or short experience period provides the best estimate of future costs.

Credibility of the Database

Q.32 Are you aware that the North Carolina insurance statute requires that due consideration shall be given to actual loss and expense experience for the most recent three-year period?

A.32 Yes, and the Bureau has done so in this filing.

The North Carolina rate statute does not say that every provision in the rate, or that every factor which goes into the calculation of a specific rate provision, must be derived from an arithmetical three-year average of the latest historical experience. As an actuary I interpret the North Carolina rate statute to mean that I must take into account the most recent three years of loss and expense experience, but that I can also rely on a shorter experience period, or a longer experience period, if I judge that to give a more reliable estimate of future costs.

The calculation of the rate change indications involves making projections for each of the various components or elements of the needed rate. As Exhibit RB-21 illustrates, in making projections of each rate element in this filing consideration was given in all instances to at least three years of actual loss and expense experience. In many instances consideration was given to more than three years of experience.

Q.33 What does the term “due consideration” mean to you as an actuary?

A.33 It means that, in projecting each of the rate elements, an actuary should take into account the type, quantity and quality of the data available so as to make the best projection of

what the value of each particular rate element will be during the future projection period. A statute requiring an actuary to give due consideration to a certain number of years of data is not the same as dictating how much weight to give the data, nor should it limit an actuary's exercise of expert judgment. The weight given to specific data should depend upon the rate element being analyzed and projected.

Q.34 If a particular rate element has a non-zero expected value, would judgmentally assigning a value of zero to that rate element constitute due consideration?

A.34 No. Assigning a zero value to a rate element that has an expected non-zero value is equivalent to giving it no consideration. Giving consideration to the value of a rate element means that you assign your best estimate of the expected value.

Q.35 Did the Rate Bureau average the indicated rates calculated for each of the latest available three years of loss and expense data?

A.35 No, except for the uninsured motorist coverage, for underinsured motorist coverage and for motorcycles. Having given due consideration to three years of loss and expense data, it is my opinion that a more accurate private passenger rate calculation is derived based on the latest year of data. Actuaries have generally accepted methods to determine what weight should be given to historical loss data when determining prospective costs. Actuaries use explicit credibility standards, based partially on the volume of the data and its statistical variance, to determine the reliability of historical data in projecting future costs. Based on standard actuarial credibility procedures used for many years in North Carolina and elsewhere, the Automobile Committee concluded that the loss and expense

data for the year 2006 were 100% credible as a database for the private passenger bodily injury, property damage, medical payments, comprehensive and collision coverages.

Being 100% credible means that the loss and expense data provide the best and most reliable base for projecting the loss and expense provisions in the indicated rates, without reference to any other data. For example, in the 2005 rate filing the most recent data available were for the year 2004. The 2004 data were then accorded 100% credibility because the data were of sufficient volume and the most recent data available. In this filing the 2006 data are the most recent data available and are of sufficient volume to be considered 100% credible. While the Automobile Committee considered 2004 and 2005 data, there was nothing about that data that would have caused an actuary to give the 2006 data less than 100% credibility.

The losses and expenses for each of the years in the database (i.e., 2004, 2005, and 2006) were adjusted as appropriate by a series of adjustments, including loss development factors, loss trends and expense trends so as to derive the projected losses and expenses for the year for which rates are being made. Each of these various adjustments were derived from a review of a number of years of data. It would not be accurate to say that rates in this filing were based solely on the review of one year of data. A number of years of data were utilized to complete each piece of the rate calculations. After all of the calculations and adjustments were made, the actuarial credibility standards tell us that the projections derived from the 2006 losses and expenses for each coverage are the most reliable estimates of future losses and expenses.

Q.36 How do you know that assigning 100% credibility to the latest year of loss and expense experience provides a more reliable projection of future losses and expenses?

A.36 I have analyzed actual data from the Rate Bureau auto rate filings back in time through the 1995 filing (see Exhibit RB-22). I found that reliance on the pure premium for the latest year in the filing provided a more responsive and reliable prediction of the next year's pure premium than would have been predicted by reliance on a three-year average pure premium. I made the same comparison of responsiveness of the latest year's pure premium to the use of a weighted three-year average pure premium and again found that the latest year pure premium was more responsive.

The only potential exception to my observations pertained to the comprehensive coverage. With respect to the comprehensive coverage, I found that reliance on the latest year pure premium was about equal in responsiveness to reliance on a multi-year coverage pure premium.

The three-year weighted average I used in my analysis for each coverage gave 50% weight to the pure premium for the latest year, 30% weight to the first preceding year, and 20% weight to the second preceding year.

With respect to the provision in the rate for the fixed expenses, I found the use of the latest year of expense data to be more responsive in projecting the expense per exposure for the following year for each of the coverages tested.

Q.37 What do you mean by the term responsiveness?

A.37 The most responsive historical data are the data which best represent what will actually occur in the future. My analysis determined which historical loss and expense data were the closest to the average claim loss and average expense per exposure which actually materialized one year later.

Q.38 Reliance on the latest year of loss and expense data may provide a more responsive and reliable estimate of future losses and expenses, but doesn't assigning 100% credibility to the latest year of data introduce an undesirable instability in the rates?

A.38 No. My analysis of Rate Bureau filings since 1995 shows that utilization of a three-year average database (either weighted average or a simple average) does not increase the stability of the indicated rate changes. It may be intuitively appealing to jump to a conclusion that use of rate change indications derived from a three-year database will always be more stable than reliance on the latest year. But such is not the case with North Carolina all-industry data. The North Carolina all-industry database is of such a size that year-to-year random fluctuations are not as significant as sometimes exists in other, smaller databases.

Q.39 Does your analysis of data from filings since 1995 represent an analysis of identical data across the entire period?

A.39 No. The data underlying the 2005, 2006 rate filings, and the 2007 rate review, were total market data, whereas the data from the 2004 filing and prior were voluntary, standard

only data. The change in the database in the 2005 filing caused an increase in the underlying pure premiums and an increase in the rate change indications. This one-time change in the pure premiums was not a random fluctuation in the data, but rather a real change caused by a decision to shift to total market loss data. By the same token, the increase in the rate change indications in the 2005 filing stemming from the use of total market data is not an indication of instability in the rate calculation process, but rather a real, one-time change in the underlying database.

I chose to continue my analysis of responsiveness and stability despite this change in the underlying database because the change in the database was well-known and its impact could be quantified if someone thought it necessary. Despite the one-time increase in the pure premiums and rate change indications, the data continue to show that reliance on the latest year of data makes rates more responsive to significant future changes in losses and expenses, without sacrificing any degree of rate stability.

Q.40 In past Rate Bureau hearings Department witnesses have testified that a one-year database can be distorted by random fluctuations. Do you agree with that testimony?

A.40 I do not agree with that testimony with respect to the industrywide database used in this filing. My analysis of actual Rate Bureau filings since 1995 shows this theoretical concern about stability is not an issue with this database. Department witnesses have theorized the existence of a significant parameter risk in the criticism of the Rate Bureau's credibility standard. However, the actual data since 1995 show that reliance on

a three-year average database would not have caused the indicated rate changes since 1995 to be more stable than indicated rate changes based on the latest year of data.

Q.41 In past Rate Bureau hearings Department witnesses have testified that your analysis of responsiveness is flawed unless you adjust the historical loss and expenses to a comparable cost level. Do you agree with that testimony?

A.41 No. The purpose of my analysis is to determine whether the latest year of data is a better predictor of the next year's data or whether a three-year average is a better predictor. I am not testing the accuracy of alternative loss trends or expense trends. It would be improper to adjust the historical losses and expenses for changes in cost levels because it is these significant year-to-year changes in cost levels to which the selection of the database should be responsive. The only way to objectively test the responsiveness of the historical data is to determine which historical database is more accurately duplicated in the future.

Q.42 How then should an actuary balance the sometimes competing goals of responsiveness and stability?

A.42 First of all it is important to understand that the standard actuarial measure of credibility used in this filing (see filing pages D-26 and D-27) was created to objectively balance the goals of responsiveness and stability. The credibility standard as used in this filing has balanced responsiveness and stability.

In the case of the North Carolina all-industry database, my retrospective test of rate filings back to 1995 (see Exhibit RB-22) shows that the actuarial choice is clear. The rate filings since 1995 show that assigning 100% credibility to the latest year of loss and expense data provides a more reliable and responsive prediction of the next year's losses and expenses. My analysis shows that this responsiveness has been achieved without the sacrifice of any rate stability. The rate filings since 1995 show there would have been no measurable difference in rate stability had a three-year average database been used instead of the latest year. The volume of the North Carolina all-industry data is so great that reliance on the earlier years of data would not add stability to the rates, but would instead detract from the responsiveness and accuracy of the projected losses and expenses. It makes no sense to sacrifice responsiveness and accuracy when nothing at all can be gained in rate stability.

Q.43 In the past, the Commissioner has found that each of the most recent three years of data was fully credible and based his rate level calculations on an average of the indications of the most recent three years. Do you believe that such a procedure is appropriate if the latest year of data is fully credible?

A.43 No. If the latest year of data is fully credible and not biased by unusual events, bringing earlier years of data into the calculation of a rate level will tend to reduce the responsiveness, or accuracy, in forecasting future losses and expenses. The argument that basing rates on a three-year database creates more rate stability is intuitively appealing but not supported by an analysis of past North Carolina rate changes.

Q.44 Is there an exhibit in this filing which shows the criteria for determining the credibility to be assigned to the underlying data when calculating auto rate change indications?

A.44 Yes. The credibility table at the top of page D-27 of the filing shows the number of claims necessary for assigning full credibility to a one-year data base. This credibility standard does not apply to every aspect of the rate change calculations, such as the selection of loss trends. It applies only to the selection of the number of years of data for claims losses to be used as a base to which trends are applied and from which projected losses, and ultimately rates, are calculated.

The credibility table on page D-27 is a standard credibility table used by the ISO on a countrywide basis. It is the same table used by the Rate Bureau in past North Carolina filings.

Q.45 Was the credibility table applied to all coverages?

A.45 Yes, with the exception of the uninsured motorist coverage, the underinsured motorist coverage, and the rate calculations for motorcycles. For these three rate calculations a three-year average database was used to derive the indicated rates.

Q.46 Why was a three-year average database used for motorcycles?

A.46 Claim count data are not available for motorcycles, so the standard credibility table could not be applied. Use of a three-year average database for motorcycles is the same procedure used by the Rate Bureau in its past rate filings.

Q.47 Why was a three-year average database used for the uninsured motorist and underinsured motorist coverages?

A.47 In the filing of May 1, 1995 the projected uninsured motorist loss ratio jumped dramatically from 1991 to 1992 and then decreased again in 1993. Those changes in the database loss ratios appeared to be random year-to-year fluctuations in the claims experience. If the only explanation of the year-to-year change in that data was random fluctuation, then it was preferable to use more than one year of data as a basis for developing the projected experience. The Automobile Committee considered the fluctuation in the data and decided for the May 1, 1995 filing that the most reliable and credible rate change indication was that which was based on a three-year average. The Committee has continued that same procedure for subsequent filings and has extended that procedure to the underinsured motorist coverage.

Total Market Data

Q.48 Do the loss and expense data in this filing include the experience of all private passenger auto insureds in North Carolina?

A.48 Yes. The loss experience includes claims from insureds written and retained in the voluntary market as well as those insureds written and subsequently ceded to the North Carolina Reinsurance Facility. The voluntary market insureds include those written at deviated rate levels, those written at the standard manual rates, and those written utilizing the consent-to-rate procedures permitted for the physical damage coverages. Likewise, the expense provisions in the rates reflect consideration of the expense experience of all private passenger insureds in North Carolina. In short, the loss and expense data underlying this filing include the experience of all non-fleet private passenger risks seeking coverage in North Carolina, regardless of the actual rate being charged to each insured.

Q.49 Is this a new methodology for calculating rates in North Carolina?

A.49 The Rate Bureau has not introduced a new ratemaking methodology. The Rate Bureau is using the pure premium ratemaking methodology, as it first did in the 2004 rate filing. As it first did in the 2005 rate filing, the Rate Bureau is applying the pure premium ratemaking methodology to the loss and expense data from the entire market, rather than restricting the database to only those insureds written voluntarily at standard manual rates or downward deviated rates.

Q.50 Why did the Rate Bureau include the loss and expense data for the entire North Carolina private passenger auto insurance market?

A.50 The loss and expense experience of the entire market was considered in this filing because it is the best and most direct way to calculate a Rate Bureau rate level which reflects the anticipated losses and expenses for the average North Carolina insured. In this way, the Rate Bureau rate level becomes a true average for all private passenger auto insureds in North Carolina. Under the Rate Bureau's filed rates, an average private passenger auto insured can be written and retained in the voluntary market because the rate will be an adequate rate.

Q.51 Is it true that basing the indicated rates on the total market loss and expense data is tantamount to including the effect of rate deviations into the rate calculations?

A.51 No, absolutely not. Any inclusion of a provision for expected deviations in the indicated rates is completely independent of the decision as to what losses and expenses are included in the rate calculations. If this rate filing were to include a provision for expected rate deviations, the indicated rate levels would be higher by the amount of any such provision. The provisions in the indicated rates in this filing are perfectly transparent. For example, refer to page C-1 of the filing. The indicated rate is the arithmetic sum of the expected losses and loss adjustment expenses (line 18) plus a provision for fixed expenses (line 20), with that sum increased by a factor reflecting variable expenses, profit, and contingencies. There are no other provisions in the indicated rates other than those transparently presented in this arithmetic formula. The rates being charged in the marketplace, whether they be the Rate Bureau's manual rates

or rates below or above manual rates, have absolutely no impact on any of the provisions included in the indicated rates.

Q.52 Would premium revenues be sufficient to provide for the losses and expenses of the entire market if the Rate Bureau's rates were based solely on the loss and expense experience of the risks written and retained in the voluntary market?

A.52 No. The population of liability insureds historically written and retained in the voluntary market (i.e., those written at or below the Rate Bureau's manual rate) and the physical damage insureds written at or below the Rate Bureau's manual rates have better loss experience than does the average insured for the entire market. If the Rate Bureau's rates are based solely on the loss and expense experience of the liability risks historically written and retained in the voluntary market and the physical damage risks written at or below the Rate Bureau's manual rates, the rates would reflect an average insured for a segment of the market that is better than the average insured in North Carolina. The average North Carolina driver would only pay enough premium to cover their anticipated losses and expenses if they are ceded to the Facility or insured through consent-to-rate physical damage rates. The Rate Bureau's rates in this filing consider the average loss and expense experience of the entire private passenger market by using a database for ratemaking that includes the loss and expense experience of the entire market.

Q.53 Would the market be overfunded if the Rate Bureau's rates were based on the total market loss and expense experience and some insureds were then allowed to be charged

even higher rates through the consent-to-rate procedure for physical damage or through the Reinsurance Facility for liability?

A.53 No. The Rate Bureau's indicated rates reflect an average rate for the entire market. As with any average, some insureds will pay more than the average and some will pay less than the average.

Q.54 Have you prepared an exhibit which shows how the market is properly funded when using total market loss and expense experience in the ratemaking database?

A.54 Yes. The attached Exhibit RB-23 presents five hypothetical liability risks. In Scenario I drivers 1, 2, and 3 represent drivers written and retained in the voluntary market. Some of the drivers in the voluntary market segment will be written at rates below (i.e., a downward deviation) the Rate Bureau rates. The magnitude of the downward deviation will be dependent upon the difference between the Rate Bureau's approved manual rate and the rate indicated by those drivers' loss and expense experience. Driver 4 represents the "clean" risks in North Carolina that are ceded to the Reinsurance Facility. Driver 5 represents other-than-clean risks that are ceded to the Facility.

Scenario I of Exhibit RB-23 shows what will tend to happen in the market if the Rate Bureau's manual rate is based solely on insureds in the voluntary market, rather than basing the rates on an average of the entire market. By basing the indicated manual rate solely on an average of Drivers 1, 2 and 3, the resulting manual rate is \$250. In this case, there will be downward deviations for only those drivers represented by Driver 1. All

drivers represented by Driver 2 will likely be written at the manual rates. All drivers represented by Driver 3 will tend to be ceded to the Facility because the manual rate of \$250 is inadequate for these risks, even though the Driver 3 risks are better than the average insured of the total market.

The entire market will be required to subsidize (i.e., total subsidy of \$210) all insureds represented by Driver 4 (i.e., “clean Facility risks”) because the manual rate of \$250 is inadequate for these insureds. All insureds represented by Driver 5 pay adequate rates in the hypothetical because in the real world North Carolina requires other-than-clean risks ceded to the Facility to pay adequate rates based on their expected losses and expenses.

Basing the Rate Bureau rates solely on the voluntary loss and expense experience of Drivers 1, 2 and 3 in Scenario I causes the market to be underfunded in total (i.e., charged premium of \$1,610 is less than the needed premium of \$1,870). This underfunding occurs because competitive market forces will cause insurers to deviate downward (i.e., to \$200) on insureds represented by Driver 1 and insurers will not be permitted to deviate upwards on insureds represented by Driver 3. Even when the clean-risk subsidy of \$210 is considered, total revenue is only \$1,820 (\$1,610 of premium plus \$210 of subsidy), but \$1,870 is needed.

Q.55 Is it not true that downward deviations are voluntary actions of insurers and that the underfunding in Scenario I could be avoided if insurers stopped deviating?

A.55 No. It would be disingenuous to characterize downward rate deviations as voluntary actions of insurers. There are many insurers competing for business in North Carolina. If an insurer were to stop downward deviations for insureds represented by Driver 1, those insureds would move to another insurer that offered the lower rates. If an insurer desires to stay in business, an insurer has no choice but to provide downward deviated rates in a competitive market, when the lower rates are indicated by the loss and expense experience.

Further, mitigating the underfunding by stopping all downward rate deviations would be unfair to all North Carolina insureds who have better than average expected loss and expense experience.

Q.56 How does Scenario II of Exhibit RB-23 differ from Scenario I?

A.56 In Scenario I there would have been a tendency in the market to cede Driver 3 to the Facility because the manual rates were inadequate for Driver 3. Scenario II reflects an increase in those insureds ceded to the Facility (now Drivers 3, 4, and 5) and a decrease in the insureds retained in the voluntary market (now only Drivers 1 and 2). In Scenario II the manual rate falls to \$225 because it continues to be based on solely voluntary experience, which is now only Drivers 1 and 2. The decrease in the manual rate to \$225 creates a tendency for Driver 2 to be ceded to the Facility in the future. The \$225 manual rate increases the rate inadequacy for clean drivers ceded to the Facility (i.e., Drivers 3 and 4), and increases the total required subsidy from \$210 to \$310. The total market

continues to be underfunded because the total premium revenue of \$1,535 plus the \$310 subsidy, does not equal the total needed revenue of \$1,870.

Q.57 What does Scenario III of Exhibit RB-23 show?

A.57 Scenario III shows what happens when the Rate Bureau's manual rates are based on the total market loss and expense experience. Insureds represented by Drivers 1 and 2 will be written in the voluntary market with downward rate deviations reflecting their reduced loss and expense experience. Insureds represented by Driver 3 can be written and retained in the voluntary market at manual rates, or a slight downward deviation, with no necessity of ceding to the Facility. "Clean" Facility risks will still be written at inadequate rates, but not as inadequate as was the case for either Scenario I or II. As a result, the Facility subsidy is reduced to \$158. The total market revenue of \$1,712 and the subsidy of \$158 provides for the necessary total market funding of \$1,870.

Q.58 In the past, witnesses for the Department of Insurance have contended that Scenario III shows an overfunding of the market. Do you agree with that testimony?

A.58 No. The erroneous contention is that the total manual premium of \$1,868, plus the subsidy of \$158, provides for more revenue than the required total revenue of \$1,870. This erroneous contention is based solely on the fact that some drivers pay more than the manual rate, and completely ignores the fact that insurers do, and will, deviate downward (charge less) from the manual rates for many insureds whose expected losses and expenses are less than the manual rate. In a competitive market, insurers have no choice but to deviate downward on risks with lower than average losses and expenses. The

correct analysis of Scenario III is to add the \$158 subsidy to the premiums that insurers are likely to charge (i.e., \$1,712), rather than to the manual premiums of \$1,868 which we know for certain will not be charged to all insureds.

Q.59 In the past, Department witnesses have contended that the scenarios in Exhibit RB-23 are flawed because they are based on an assumption that the manual rates are unfairly discriminatory. Is that contention correct?

A.59 No. Exhibit RB-23 is not premised on assumptions concerning unfair discrimination. Exhibit RB-23 shows that rates based on an average of only those insureds in the voluntary market creates an increase in the insureds that are inadequately rated, and creates an increase in the subsidy paid by the better than average insureds. Exhibit RB-23 also shows that rates based on an average of the total market will tend to decrease the size of the residual market, decrease cross-subsidies, and cause more of the insured market to pay rates based on their expected loss and expense experience.

Q.60 Does North Carolina currently have a large residual market for the private passenger automobile liability coverages?

A.60 Yes. As shown in Exhibit RB-24, approximately 30% of the non-fleet private passenger liability premiums for the entire North Carolina market were reinsured through the Facility in 2003, 2004, and 2005. No other state comes anywhere close to having such a large proportion of its total market written, or reinsured, through its residual market mechanism. Further, also shown in Exhibit RB-24 is the fact that in 2002 nearly one-half (i.e., 49.5%) of all cars in the United States written through a residual market mechanism

were reinsured through North Carolina's Facility. In 2003, this number rose to 52.4%, and then rose again in 2004 to 57.3%. This shows the unusually large size of North Carolina's residual market when compared to the residual market in every other state.

Q.61 Why is the residual market so large in North Carolina?

A.61 There are likely to be several factors which cause an individual insurer to cede a policy to the Facility. However, in the long-run the size of the residual market will be dictated by the availability of adequate rates in the voluntary market. If insurers continue to be prevented from deviating upwards from the Rate Bureau's liability manual rates, there will always be a market segment of higher than average risks which will be ceded to the Facility. Such is the natural result of an average rate. However, the number of cessions can be increased or decreased, depending upon the level at which the manual rate level is established. If the Rate Bureau's rate level is based on an average of only those risks with the lowest expected losses in the market, such manual rate will be lower than if the manual rate level is based on an average of the total market. The lower manual rate derived from voluntary data only will mean more risks in North Carolina will have loss and expense experience above the manual rate level and more risks will be ceded to the Facility. Establishing the Rate Bureau manual rate level using the total market data will raise the manual rate and mitigate the number of cessions to the Facility. This is exactly the desired result, as presented in Scenario III of Exhibit RB-23.

Premiums

Q.62 How were the premiums for the private passenger auto coverages used in this filing?

A.62 The Rate Bureau used the pure premium methodology to calculate the indicated average rate level. The pure premium method of calculating the indicated rate builds the rate directly from expected losses and expenses and is completely independent of actual or expected premiums. After the indicated rate was calculated, it was desirable to relate the indicated rate to the old rate so that the filing could be summarized and expressed as a percentage change to the current, standard manual rate level. To make the calculation of the current standard manual average rate and premiums, the exposures (i.e., number of cars) in each rating cell were multiplied by the current applicable Rate Bureau rate for each cell. The summation of this calculation for all exposures, divided by the total number of exposures, represents the average premium that would have been earned if this hypothetical composite insurer had charged the Rate Bureau's manual rate to every non-fleet private passenger auto insured in North Carolina.

Q.63 Was the calculation of the indicated rates influenced by the rates actually being charged by each insurer in the marketplace?

Q.63 No. The calculation of the indicated rate level is independent of whether an individual insured was written voluntarily using deviated or consent-to-rate premiums, or whether the insured was written and subsequently ceded to the Reinsurance Facility. After calculating the indicated average rate level, the indicated average rate was then compared to the average rate which would have existed, hypothetically, if the current standard manual rates had been charged to every North Carolina non-fleet private passenger auto

insured. This comparison of the indicated average rate to the current standard manual average rate provides the percentage rate changes presented on Page A-1 of the filing.

Q.64 Was this process of multiplying exposures by the Rate Bureau's rates used to determine the motorcycle premiums?

A.64 No. The Rate Bureau has continued to use the loss ratio ratemaking method for motorcycles because reliable exposure data are not available for motorcycles. The motorcycle premiums for the rate analysis were reported to the Rate Bureau by its member companies in response to a special call for motorcycle data. The earned premiums produced by that data call are actual collected premiums. These actual collected premiums were then adjusted to the present rate level using a method which actuaries commonly refer to as a geometric, current-level procedure.

Q.65 Are premium trends required when using the pure premium method of ratemaking?

A.65 Yes, for the physical damage coverages. The premium trend serves to reduce the otherwise indicated change in the base rate. The premium trend reflects that portion of the needed rate change which can be realized automatically through the workings of the class plan without the necessity of actually implementing a change in the current rate schedule.

Q.66 How were premium trends applied in this filing?

A.66 The symbol trend and the model-year trend were used to reduce the otherwise indicated comprehensive and collision base rates so as to reflect the expectation that the average

rates will increase automatically due to new cars being insured each year. As new cars are added each year, the average rates for the comprehensive and collision coverages will increase. This is because the new and more expensive cars are charged higher rates. The addition of the new cars each year to the “fleet” of insured cars also causes some upward trend in the claim costs. That effect on claim costs is reflected in the claim loss trends used in the analysis. If the claim cost effect of the new cars is built into the claim cost trends, then it logically follows that any effect on the average rates should also be recognized in the calculations. The greater the trend in average rates, the less is needed in the way of a rate schedule change to offset the rising costs. Therefore, the higher the premium trend, the lower is the indicated change in the current rate schedule.

Q.67 Please explain how the premium trends were calculated in this filing.

A.67 The filing utilizes a model-year trend which recognizes the shift of insured cars to newer models. Since the distributions by model year for all insured cars in North Carolina are not available, the latest available distributions of insured cars for insurers reporting to the ISO and for Automobile Committee members reporting to the ISS were utilized. The anticipated effect on the average model year rating relativity is based on the expected distribution of cars during the time the new rates will be in effect. As shown on H-534 of the filing, it is anticipated the annual increase in the comprehensive average premium will be 5.5% and the increase in the collision average premium will be 6.4%. When compounded for a two-year projection, the model year trend factor becomes 1.114 for comprehensive and 1.133 for collision. The procedure used to calculate the model-year

premium trends is consistent with the procedure used in past North Carolina filings and is reasonable.

Annual premium trends were also calculated to reflect the shift in insured cars to higher symbol categories. The trends were calculated for each deductible for a variety of time periods. The symbol trends vary by deductible and by the time period analyzed. The Automobile Committee agreed that the data as a whole indicate an annual symbol trend of +1.0% for comprehensive and +0.0% for collision should be used to reflect the effects of the expected shift of insureds into the higher symbol categories.

It is my view that the selected model-year and symbol trends for comprehensive and collision are well within the range of reasonable trends indicated by the data.

Incurred Losses and Allocated Loss Adjustment Expenses

Q.68 Please describe the losses and allocated loss adjustment expenses used in this filing.

A.68 The historical losses and allocated loss adjustment expenses (ALAE) to which projection factors are applied include data from the latest three available years ending 12/31/04, 12/31/05, and 12/31/06. The claim losses and ALAE for each of the years in the database are stated on an accident-year basis for the liability coverages and on a calendar-year basis for the physical damage coverages.

The claim losses for each accident-year include paid losses plus reserves for payments yet to be made on claims which occurred during the specific accident-year.

The claim losses for each calendar-year include loss payments and changes in total reserves which transpired during the calendar-year, no matter when the claim may have occurred.

Claim losses stated on an accident-year basis typically change from the time an accident first occurs until the claim is ultimately and finally settled. As such, it is necessary to apply loss development factors to accident-year data so as to derive a reasonable estimate of the total losses which will ultimately be incurred when all claims from a specific accident-year are finally settled.

The claim losses for the physical damage coverages are reported on a paid basis. These data are adjusted to an incurred basis using the industry average ratio of incurred to paid

losses and are derived from Page 15 Private Passenger Auto Physical Damage (Line 21.1) of the Annual Statement. The factors to adjust paid losses to incurred losses are calculated in Exhibit RB-7.

The allocated loss adjustment expenses (ALAE) are stated on an accident-year basis and are included with the claim losses for the liability coverages. For the physical damage coverages, all loss adjustment expenses are included on a calendar-year basis by means of a factor based on data reported to the Rate Bureau through its Annual Expense Call.

Q.69 Why are calendar-year loss data used for the physical damage coverages?

A.69 It is a common practice to use calendar-year data for physical damage ratemaking because there is usually a short time between the time an accident occurs and the time the final payment is made on the claim. As a result, there is minimal difference between loss data organized on an accident-year basis and data on a calendar-year basis for the physical damage coverages. The use of accident-year data for the liability coverages and calendar-year data for the physical damage coverages is a common actuarial practice and is the procedure used by the Rate Bureau in past auto insurance rate filings.

Loss Development Factors

Q.70 What is the purpose of loss development factors in the ratemaking formula?

A.70 Incurred losses reported on an accident-year basis include paid amounts plus case reserves. Case reserves are amounts which a claims person expects to be paid in the future for a known claim. The sum of paid amounts and case reserves is commonly referred to as reported incurred losses. Reported incurred losses change from one evaluation date to another, because the estimate of case reserves changes as more information (including claim payments) becomes available and because claims which occurred, but were not reported, are eventually reported to the insurer. The loss development factors are used as estimates of how the reported incurred losses for each accident-year will change by the time that all claims are finally settled.

Q.71 Please describe your review and conclusions with respect to the loss development factors.

A.71 The traditional approach for calculating loss development factors (LDF's) is to observe how past accident-year losses have developed from one time period to the next, and then select an LDF based on some average of this historical experience. That is exactly the approach utilized by the Rate Bureau for the bodily injury liability, property damage liability, medical payments, and uninsured and underinsured motorist coverages. Because the physical damage rate change indications are based on a calendar-year ratemaking methodology, it was not necessary to calculate and apply loss development factors to those coverages.

The Rate Bureau calculated average LDF's based on the latest three and the latest five reported incurred factors for each time interval. The Rate Bureau relied on the LDF's based on an average of the three latest years for bodily injury, property damage and medical payments. For uninsured motorist-bodily injury (UM-BI), uninsured motorist damage (UM-PD), and underinsured motorist-bodily injury (UIM-BI), the Rate Bureau relied on the LDF's based on an average of the latest five years.

In my review of the data, I also calculated LDF's as an average of the middle three of the latest five factors. This analysis produced results consistent with the LDF's used by the Rate Bureau for each of the liability coverages. There are very small differences between the LDF's calculated using any of the three methods. This caused me to conclude that the LDF's selected by the Rate Bureau for each of the liability coverages were justified by the data and were reasonable.

Loss Trends

Q.72 What are loss trend factors?

A.72 Because ratemaking is prospective, it is necessary to adjust the historical claim losses and ALAE to reflect the anticipated future cost levels. This adjustment to the data is accomplished by the application of trend factors which reflect the estimated annual change in both the frequency of claims and the average cost of claims.

Q.73 What is the basis for the determination of the loss trends used in this filing?

A.73 The loss trends are based on a review of North Carolina claim severity, claim frequency and pure premium data as reported by all auto insurance carriers in the State. North Carolina trend data reported to the Fast-Track reporting system, as well as other external data, were also reviewed and considered.

Because auto insurance claim severities in North Carolina and countrywide have historically shown a pattern of change that appears to be non-cyclical, I have generally placed more reliance on the indicated average claim cost trends calculated over a three-year period. Because auto insurance claim frequencies generally exhibit a more cyclical behavior, I have relied on both the indicated long-term frequency trends and the indicated short-term frequency trends.

Q.74 What trends were selected by the Auto Committee for this filing?

A.74 The following table summarizes the selected severity and frequency trends, as well as the resulting pure premium trends.

Selected Annual Trend

<u>Coverage</u>	<u>Severity</u>	<u>Frequency</u>	<u>Pure Premium</u>
BI – Basic	+5.0%	-4.0%	+0.8%
BI – Total	+6.0%	—	—
Property Damage	+3.0%	-1.0%	+2.0%
Medical Payments	+2.0%	-2.5%	-0.6%
Comprehensive	0.0%	-2.0%	-2.0%
Collision	+2.0%	+1.0%	+3.0%
Uninsured Motorist	—	—	0.0%
Underinsured Motorist	—	—	+7.0%

Q.75 Do you have an opinion as to the reasonableness of the selected loss trends?

A.75 Yes, the annual trends selected by the Rate Bureau and used in this filing are reasonable and they are supported by the all-industry North Carolina claims data.

The three-year claim severity trend for the basic limits bodily injury liability coverage is +4.5%. There has been a recent acceleration in the rate of increase, causing the trend calculated over more recent data to be +5.5%. The Rate Bureau's selected 5.0% frequency trend is in the middle of the range of indicated trends.

The claim severity trend for the total limits bodily injury coverage ranges from 5.1%, when measured over the latest three years of data, to 8.5% when measured over the latest six data points. The Rate Bureau's selected severity trend of +6.0% is lower than the midpoint of this range of indicated trends.

The Rate Bureau's selected claim severity trend of +3.0% for the property damage liability coverage is consistent with the three-year trend indication, but less than the trend indicated by more recent data.

The Rate Bureau's selected claim severity trend of +2.0% for the medical payments coverage is reasonable in that it is consistent with the long-term trend indicated by the all-industry claims data. Also considered in this trend selection was the fact that government cost indices for medical care and physician services are rising at an annual rate in excess of +4.0%. The government cost indices indicate that a 2.0% trend may be too low.

The three-year claim severity trends for the comprehensive coverage vary by deductible amount, but the variance is in a tight range around 0%. The Rate Bureau's selected severity trend of 0% reasonably reflects the indicated trends across all deductibles.

The indicated claim severity trends for the collision coverage also vary by deductible. The three-year trends are near 2.0%. The more recent data indicate trends higher than 2.0%. The 2.0% claim severity trend selected by the Rate Bureau reasonably reflects the

indicated three-year trends across all deductibles, as well as the trends indicated by the more recent data.

The Rate Bureau selected negative frequency trends for the bodily injury, property damage, medical payments, and comprehensive coverages. A frequency trend of +1.0% was selected for the collision coverage. Each of the selected frequency trends is within the range of indicated trends for the specific coverage and each selected trend is reasonably supported by the North Carolina all-industry data.

The 0.0% annual pure premium trend selected by the Rate Bureau for the uninsured motorist coverage is based on the pure premium data for the years 1995 through 2006. In those twelve years the pure premium has varied very little, with a low of \$9.20 and a high of \$10.44. Trend lines fit to the historic data are relatively flat, thereby supporting the reasonableness of the Rate Bureau's selected pure premium trend.

An annual loss trend of +7.0% was selected by the Rate Bureau for the underinsured motorist coverage based on an analysis of available North Carolina pure premiums for the period 2000 through 2006. The indicated trends were in the 4.6% to 8.5% range, with the 7.0% selected trend well within the range of indicated trends.

Q.76 How much reliance did you place on the North Carolina all-industry trend data versus the North Carolina Fast-Track data?

A.76 I placed far more reliance on the North Carolina all-industry trend data than I did the Fast-Track data. I am aware that the Fast-Track data are not subject to the same level of edit procedures as are the all-industry data, but more importantly the Fast-Track data do not include data from all North Carolina insurers. As such, the Fast-Track data can only be considered as a non-random sample of the all-industry total data. The sample data provided through Fast-Track provide less insight into the true North Carolina trends than do the all-industry data, which by definition include all North Carolina insurers. If the all-industry trend data were not available for review, then the Fast-Track data could be given more credibility and reliance. But when a total data set is available for analysis, nothing can be added by relying on a subset of the total.

Perhaps the only value that the Fast-Track data add to the analysis is that the Fast-Track data are published quicker and sometimes provide more recent data than the all-industry data. More recent data can sometimes be helpful in identifying turning points in the trends.

Q.77 Did you consider the rising cost of gasoline in your trend selections?

A.77 Yes. Based on past gasoline price changes, it appears to me that gas prices have not caused significant changes in driving patterns. Whatever impact, if any, past gas prices have caused has been reflected in the loss trend data being reviewed.

Supply shortages might impact driving patterns, but there is little evidence of supply problems in the near future. What may well happen is that rising gas prices may

encourage people to buy smaller, more fuel efficient cars. That could in turn cause an increase in the severity of bodily injury and medical payments claims, to the extent that smaller cars are less protective of the occupants.

In my opinion, the potential impact of rising gas prices on auto insurance claim frequencies and claim costs is highly speculative. In the long-run the impact, if any, of changing gas prices on insurance costs will be reflected in the actual loss experience, and that loss experience will eventually be reflected in the rates.

Q.78 Were the selected annual trends applied on an exponential basis?

A.78 Yes. Projecting the annual trends into the future was done on an exponential basis. An exponential trend extension assumes the same percentage increase each year. A linear trend extension assumes a decreasing rate of increase each year.

Q.79 Which trend extension method is correct?

A.79 It depends upon the assumptions underlying the selected annual trend. If, for example, the ratemaker assumes that losses will increase 3% in each of the next two years, the trend should be extended exponentially. In this case the factor would be 1.03 for the first year times another increase of 3% (1.03) for the second year, producing a total change of 6.1% over the entire period ($1.03 \times 1.03 = 1.061$).

If the ratemaker assumes that losses will not increase by a constant percentage each year, then the trend extension would be done linearly. In the linear case, the total two year

increase would be 6% (1.06) produced by a 3% increase the first year compounded by an increase of approximately 2.9% in the second year.

Because trend factors are usually selected with the assumption that the percentage increase is constant over time, the technically correct procedure is an exponential trend extension.

Q.80 How far into the future were the losses trended?

A.80 Claim losses and ALAE were trended to July 12, 2009. The trend extension date assumes the revised rates will be effective on October 1, 2008. For six-month policies, the average date of claim loss will be July 1, 2009. For twelve-month policies, the average date of claim loss will be October 1, 2009. The latest available data from the ISO indicate that approximately 87% of the auto policies in North Carolina are six-month terms and approximately 13% are for annual terms. Using this distribution of policies as weights, an average date of claim loss for all policies was determined to be July 12, 2009.

Catastrophes

Q.81 How were potential catastrophe losses recognized in this filing?

A.81 The comprehensive coverage is subject to the potential for catastrophe losses. Page D-13 of the filing summarizes the history since 1977 of North Carolina wind and water losses of those companies reporting to the ISO. For example, as can be seen in column 5 of page D-13, wind and water losses in 2003 were greater than the usual wind and water losses, as measured over the thirty-year history. The experience period underlying this filing (i.e., 2004 – 2006) was not affected by any catastrophe wind/water losses. If there had been catastrophe losses in the experience base they would have been removed and replaced by the long-term average catastrophe base. A catastrophe provision of 1.067, based on the thirty-year average, was included in the calculation of the indicated comprehensive rates.

The purpose of the catastrophe procedure is to recognize that catastrophes tend to occur with relative infrequency. Utilizing a one-, two- or three-year database would provide an insufficient history to determine expected future catastrophes. The Rate Bureau's catastrophe procedure relies on a thirty-year experience period for the catastrophe loss portion of the comprehensive rate. The long-term historical method used in this filing is consistent with the catastrophe procedure used in past Rate Bureau filings and is consistent with traditional actuarial practices for auto insurance ratemaking.

Claim Settlement and Underwriting Expenses

Q.82 How are the claim settlement expenses included in the ratemaking formula?

A.82 The allocated loss adjustment expenses are reported and included with the accident-year losses for the bodily injury liability, property damage liability and medical payments coverages. The unallocated loss adjustment expenses for these coverages are derived from the Annual Expense Call which the Rate Bureau sends to its member companies.

For the comprehensive and collision coverages, the total loss adjustment expenses, both allocated and unallocated loss adjustment expenses, are derived from the Annual Expense Call.

For the uninsured motorist coverage, the allocated loss adjustment expenses are reported and included with the accident-year losses. Since the Annual Expense Call does not separately identify expense data for the uninsured motorist coverage, the procedure used in this filing is to use the same unallocated loss adjustment expense factors as are used for the bodily injury liability and property damage liability coverages. This procedure is the same procedure used in past filings.

Q.83 What is the source of the underwriting expenses used in the filing?

A.83 The expense provisions for commissions, other acquisition, general administrative and miscellaneous taxes, licenses and fees are derived from the Annual Expense Call and are summarized on pages H-539, H-540 and H-541 of the filing.

Q.84 Are there adjustments made to the expenses?

A.84 Yes. The expenses are trended so as to determine future expected expenses.

Q.85 Why does the expense trend apply only to the other acquisition, general, and unallocated loss adjustment expenses?

A.85 Commissions, taxes, licenses and fees are treated as being directly variable with premium and are expected to increase or decrease in proportion to the rate change for each coverage. Therefore, no trend factor is necessary for these expenses.

The other acquisition, general, and unallocated loss adjustment expenses are treated as “fixed” expenses. This means that while these expenses are expected to change from year to year, the change will not necessarily be directly in proportion to either the rate change or to the change in losses. The trend factor applied to the other acquisition, general and unallocated loss adjustment expenses reflects the expected annual change in these expenses.

The allocated loss adjustment expenses are directly related to losses. Therefore, it is appropriate to apply the loss trend to those expenses rather than the expense trend.

Q.86 What expense trend is used in this filing?

A.86 The annual expense trend in this filing is +3.8%.

Q.87 What is the basis for this trend?

A.87 The 3.8% annual expense trend was selected based on a review of the All-Items CPI and the Total Compensation Cost Index, both published by the Bureau of Labor Statistics.

The indices used to determine the expense trend are the same as have been used in past filings and result in a reasonable expense trend.

Q.88 How is this 3.8% expense trend applied?

A.88 The expense trend is applied from the mid-point of the experience period and projected to April 1, 2009. This date represents the average date of incurring expenses for policies which will be issued utilizing the new rates to be effective on October 1, 2008.

Deviations

Q.89 Do current or prospective rate deviations have any impact on the indicated average rate levels in this filing?

A.89 No. The rates actually charged, or anticipated to be charged, by auto insurers in North Carolina are not a part of the calculation of the indicated average rate levels in this filing. The indicated rate levels are calculated directly from the aggregate losses and expenses of the entire private passenger auto insurance market without reference to the current premium being charged to each insured.

Q.90 Some witnesses for the Department in past hearings have contended that deviations are being implicitly reflected in the rate calculations through the use of total market loss and expense data. Do you agree with that testimony?

A.90 No. There are no implicit provisions that affect the indicated rate level in this filing. Every provision in the indicated rates is explicitly and transparently presented in the filing. The explicit provisions included in the rate calculations are provisions for losses, loss adjustment expenses, fixed expenses, variable expenses, profit, contingencies, and policyholder dividends. The indicated rate levels in this filing would be what they are whether the average downward deviation in the market was 10%, or 50%, or any other amount.

Q.91 How then were deviations considered in this filing?

A.91 History tells us that some insureds will be charged more than the Rate Bureau's average rates and some insureds will be charged less. Insureds that are charged rates which

deviate upwards from the Rate Bureau's average rates include some Reinsurance Facility insureds and some insureds who purchase physical damage coverages utilizing the consent-to-rate procedures. Insureds who are charged rates which deviate downwards from the Rate Bureau's average rates are those insureds who purchase coverage from insurers that have filed rates below those of the Rate Bureau. To the extent that the upward and downward deviations from the Rate Bureau's average rates are offsetting, the amount of premiums collected from all non-fleet private passenger auto insureds in North Carolina will cover the anticipated losses and expenses and provide the needed profit.

Q.92 Do you expect that the upward and downward deviations from the Rate Bureau's average rates will be offsetting?

A.92 I do not expect the deviations to be precisely offsetting. I do expect the deviations to be reasonably close to being offsetting. As shown in RB-25, the actual expected future revenue for the total market (including actual premiums collected and clean-risk recoupments) is approximately 0.9% higher than what the total revenue would be if the total revenue were to be generated by charging the Rate Bureau's manual rates to every auto insured in North Carolina. If the clean-risk recoupment amount is not included in the calculations, the expected off-balance in revenue for the liability coverages is -4.6% and the expected off-balance in revenue for all coverages combined is -2.4%.

Since the off-balance in revenue is relatively close to zero there is a reasonable expectation that the overall indicated rate level increase of 13.0% will be achieved and the total market will be neither overfunded nor underfunded. The Automobile

Committee decided not to incorporate an explicit off-balance adjustment in the calculation of the base rates, either upward or downward, unless the off-balance was a significant amount. In this case liability and physical damage off-balance factors are small and have not been incorporated into the base rate calculations.

Policyholder Dividends

Q.93 What are policyholder dividends?

A.93 From an insurance accounting point of view, policyholder dividends are a return of premium by stock or mutual insurers to policyholders “on the basis of certain savings in losses or expenses realized by the insurer on the participating class of business.” This definition is from the text entitled, Property-Liability Insurance Accounting, edited by Robert W. Strain. Policyholder dividends are accounted for on the statutory insurance Annual Statement as a reduction to current income, rather than as a direct charge to surplus.

The Casualty Actuarial Society defines policyholder dividends as “non-guaranteed returns of premium charged to operations as an expense.” This definition is consistent with the accounting treatment on the statutory Annual Statement.

The Actuarial Standards Board defines policyholder dividends as “non-guaranteed returns of premium or distributions of surplus” and further indicates a provision may be included in the rates for dividends based on past dividend history and other considerations.

For Federal tax purposes, the IRS treats policyholder dividends as a return of premium, rather than taxable income to the policyholder. From the insurer's point of view, the IRS' treatment of policyholder dividends is equivalent to the treatment of business expenses because both are deductible from current income.

I believe the Casualty Actuarial Society's definition most succinctly captures the accounting and legal aspects of policyholder dividends and is most consistent with tax treatments. Policyholder dividends are a return of premium. According to statutory accounting rules, policyholder dividends are accounted for as a reduction to current income. Just as current expense items reduce current profits, so do policyholder dividends.

Q.94 Are policyholder dividends the same as stockholder dividends?

A.94 Not at all. The difference is so fundamental that it is unfortunate that the word "dividend" is used in both terms. Stockholder dividends are distributions of capital or profits to its shareholders from a company's capital accounts. In the insurance business, a policyholder dividend is a return of premium revenue to customers. Policyholder dividends never reach the insurer's capital accounts, therefore policyholder dividends are not the same as stockholder dividends.

Q.95 Is it not true that policyholder dividends and stockholders dividends are both dividends to owners of the company?

A.95 No, not always. Stockholder dividends are clearly a distribution of capital or profits to the owners of the company. However, policyholder dividends are a return of premium to customers. In the case of a mutual company the customers also happen to be the owners, but in this case the return of premium is being made to them in their role as customers, rather than a distribution of capital in their role as owners.

It is also possible to have policyholder dividends paid by a stock insurer using a participating policy. In that case the policyholder dividend is going to customers, most of which are probably not owners of the stock insurer.

In the case of an insurance exchange or reciprocal, a distribution of savings or a return of deposit premium to customers would be akin to a policyholder dividend rather than a distribution of capital to owners. The dual role of customers and their rights as owners of a reciprocal is not clear-cut and likely varies from one organization to the next.

Q.96 Does the Casualty Actuarial Society categorize policyholder dividends as an expense item?

A.96 No it does not. The CAS Ratemaking Principles (see Exhibit RB-14) sets forth all of the “cost” elements that are to be included in a rate calculation. Policyholder dividends are identified as a separate “cost” category. Policyholder dividends are separate from claim losses; separate from all of the claim settlement expenses; separate from profit and contingencies; and separate from the operational and administrative expenses such as commissions, other acquisition, taxes, licenses and fees and general administrative expenses.

Q.97 Do you consider policyholder dividends as an expense item?

A.97 No. I have always understood policyholder dividends to be a return of premium. Similarities between policyholder dividends and expenses can be drawn, but within the

insurance industry literature and within all of the state rating laws of which I am familiar, policyholder dividends is a category unto itself. I must assume that if the North Carolina legislature had intended dividends to be considered as an expense item there would have been no need to establish separate categories for expenses and dividends in the rate statutes.

Q.98 Do you understand that the North Carolina statutes require a unique treatment of policyholder dividends as compared to other states?

A.98 No. I understand the North Carolina statutes to simply mean that an insurer cannot pay policyholder dividends when doing so would reduce its surplus position below the legal minimum requirements. To my knowledge, North Carolina utilizes the same insurance statutory accounting rules as other states, and those accounting procedures treat policyholder dividends as a deduction from current income and not as a direct charge to surplus.

The annual accounting statement for property and casualty insurers, required by statute in North Carolina and other states, shows policyholder dividends as a deduction from current net income on line 14 of page 4 of the Annual Statement. If policyholder dividends were used as a means to distribute surplus, the deduction would need to be shown as a direct charge to surplus on a line below line 17, page 4 of the Statement, just as dividends to stockholders are shown. Any assertion that policyholder dividends are essentially the same as stockholder dividends and are somehow contained in profit is belied by the accounting treatment by North Carolina's statutorily required accounting

statement. (See N.C. Gen. Stat. §58-2-165). There is no economic incentive for insurers to use policyholder dividends as a means of distributing surplus. From a tax standpoint, the preferable approach for both the insurer and the insured is a reduction in rates or a return of premium.

Whether accounted for as a reduction to current income or accounted for as a direct charge to surplus, the ultimate result is a reduction in the surplus of the companies, just as is true for any other incurred, operating expenditure. Just because operating expenses, or claim losses, or policyholder dividends ultimately result in reduced surplus does not make any of those items a distribution of surplus.

Q.99 How should policyholder dividends be treated in the ratemaking formula?

A.99 Most often auto insurers establish rates in anticipation of no payment of policyholder dividends. Policyholder dividends are not an issue in most rate filings, because the anticipated provision for policyholder dividends is zero for most insurers. There are, however, a few insurers that plan on paying policyholder dividends and those insurers customarily do include the anticipated dividend amount in their company-specific rate calculations as a separate provision in the rate calculation. The Rate Bureau has treated anticipated policyholder dividends as a separate provision to be included in the rate. However, in this particular filing the dividend provision happens to be zero. It is actuarially sound and reasonable and consistent with the North Carolina ratemaking statutes to include a provision for anticipated policyholder dividends when there is a reasonable expectation that policyholder dividends will be declared.

Q.100 Does the Rate Bureau's ability or inability to control the declaration of policyholder dividends impact the consideration to be given dividends in the ratemaking formula?

A.100 No. The Rate Bureau has no control over the payment of policyholder dividends. But, more importantly, the controllability of any cost provision in the rate is not a criterion for inclusion of that provision in the ratemaking formula. Unless constrained by law, the indicated rates should reflect all costs expected to be incurred by the insurance operation. Nearly all cost provisions in the rate can be thought of as discretionary because they are the direct result of management decisions relating to selected markets, methods of operation, staffing levels, etc. The question isn't whether the cost provisions are discretionary, but rather whether the cost provisions are anticipated for the future. If one reasonably expects policyholder dividends to be declared in the future, then it follows that those expected costs must be acknowledged and recognized in the ratemaking formula. Further, in North Carolina the ratemaking statute separately lists policyholder dividends as one of the factors to be considered in making rates.

Under North Carolina law, the Rate Bureau is to be regarded as if it were the only insurance company operating in North Carolina and as if it had an earned premium experience, an incurred loss experience and an operating expense experience equivalent to the composite of those companies actually in operation. The operation of this single, hypothetical insurer is a reflection of the operations and management decisions made independently by each of the insurers actually operating in the marketplace. The Rate Bureau does not and cannot manage or control this single, composite company. The

actions and decisions of this single, composite company are merely the composite of the myriad of independent decisions made by the managers of the insurers actually in operation. That means that policyholder dividends will be declared regardless of what the Rate Bureau might consider to be appropriate.

Q.101 Does the declaration of dividends in the past mean that rates were excessive in the past?

A.101 No. The purpose of this rate filing is not to calculate rates which meet the statutory standards of neither excessive, inadequate, nor unfairly discriminatory for each of the individual insurers actually operating in North Carolina. The purpose of this filing is to calculate rates which meet the statutory standards for this single, hypothetical insurer with premium, loss and expense experience equivalent to the composite of all insurers. This necessarily means that the Rate Bureau rates may precisely meet the rate standards for the composite company, but be inadequate for some insurers and excessive for other insurers. Some insurers may naturally respond to this situation, as they have in the past, by declaring dividends to policyholders. That doesn't mean the Rate Bureau rates were excessive for the composite company. It only means that an individual insurer decided that it had certain savings which it wanted to pass to its policyholders in the way of dividends.

Contingencies

Q.102 What is the purpose of a contingency provision in the calculation of property and casualty rates?

A.102 The contingency provision, as defined in the CAS Statement of Ratemaking Principles, is "a charge for any systematic variation of the estimated costs from the expected costs." The Actuarial Standards Board in its Standard of Practice No. 30 defines the term as "a provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process."

We can expect the actual losses and expenses to vary randomly from year to year around the expected costs. If the variation is random and not biased, then over a period of time, the actual results will average to the expected. However, if there is some bias or systematic variation in the rate setting process, then the average actual results will not equal the average expected results. It is this potential systematic variation which the contingency provision is intended to measure.

Q.103 What provision for contingencies did the Rate Bureau include in this filing?

A.103 The Rate Bureau has included a 0% contingency provision in this year's filing.

Profit

Q.104 What underwriting profit provision did the Rate Bureau utilize in this filing?

A.104 The Rate Bureau utilized before-tax underwriting profit provisions of 8.0% for the liability coverages and 11.0% for the physical damage coverages. Based on the profit analysis provided to the Rate Bureau, these underwriting profit provisions, if realized, can be expected to produce overall returns that are not excessive, even if one considers investment income from capital and surplus. Therefore, it necessarily follows that the filed underwriting profit provisions will not produce excessive returns if investment income from capital and surplus is not considered.

Q.105 Did you prepare an independent analysis of the underwriting profit provisions and a recommendation for review by the Automobile Committee?

A.105 No. The profit analysis was performed by Dr. Appel and Professor Vander Weide. Their testimonies are included with this filing.

Q.106 Is it necessary for you to opine on the underwriting profit provisions in the filing in order for you to provide an actuarial opinion on the other aspects of the filing?

A.106 No. I can provide an actuarial opinion on selected elements of a rate filing as long as my opinion clearly sets forth the appropriate limitations and qualifications.

Uninsured Motorist Coverage

Q.107 What changes are being proposed for the uninsured motorist coverage rates?

A.107 The filing includes a 5.5% decrease in the uninsured motorist coverage rates. The analysis of the uninsured motorist data is presented on pages E-1 and E-2 of the filing.

Q.108 Please describe the loss trends and the loss development factors used in the calculation of the uninsured motorist rate change indication.

A.108 I previously discussed the 0.0% annual loss trend selected by the Rate Bureau. The trend selection was based on the trend calculations on page E-7 of the filing.

The loss development factors for the uninsured motorist-bodily injury coverage are calculated on pages E-3 and E-5 of the filing. The loss development factors used for the uninsured motorist-property damage coverage are calculated on pages E-4 and E-6 of the filing. The Rate Bureau relied on loss development factors based on a five-year average for both UM-BI and UM-PD.

Underinsured Motorist Coverage

Q.109 What changes are proposed for the underinsured motorist coverage rates?

A.109 The filing includes a 103.4% increase for the underinsured motorist coverage.

Q.110 How was the rate change for underinsured motorist coverage calculated?

A.110 The rate change for the underinsured motorist (UIM) rates is based on a review of three years of data, just as was done for the uninsured motorist coverage. The loss development factors for the underinsured motorist coverage are based on five-year averages. I previously discussed the +7.0% annual loss trend selected by the Rate Bureau.

Q.111 Is this method of calculating indicated underinsured motorist rates a change in methodology for the Rate Bureau?

A.111 No. In rate filings prior to 2006 the Rate Bureau used a model approach to ratemaking. Models are the best alternative when sufficient data are not available. In the 2006 rate filing, the Rate Bureau placed more reliance on the actual UIM data and selected a rate change that was between the rate change indicated by the model and the rate change indicated by the UIM loss and expense experience. In this filing the Rate Bureau calculated indicated UIM rates based solely on UIM loss and expense experience.

Rate Factors

Q.112 Did the Rate Bureau review the experience of the various rate factors used in the rating plan?

A.112 Yes. The Rate Bureau reviewed the experience for the increased limit factors for the liability coverages.

Q.113 Does this filing include proposed changes for any of these rating factors?

A.113 Yes. There are revisions to both the BI and PD liability increased limit factors. The revisions to the factors are based on a review of North Carolina increased limit loss data for the years 2004, 2005, and 2006.

Motorcycles

Q.114 Has the Rate Bureau conducted an analysis of the motorcycle experience?

A.114 Yes, that analysis is presented in Section F of the filing. Page F-2 of the filing presents the calculation of an indicated 0.7% increase for the bodily injury liability, property damage liability and medical payments coverages for motorcycles.

Q.115 Please describe the calculation of the indicated 0.7% increase.

A.115 The collected premium, loss and expense data on lines (1) through (5) were reported to the Rate Bureau in response to a special call for motorcycle data.

The selected annual trends in losses are shown on line (6). They were determined by taking a weighted average of the trends used to calculate private passenger auto rates for bodily injury, property damage and medical payments coverages.

The 3.8% expense trend on line (7) is the same prospective expense trend figure that was used in the Rate Bureau's automobile rate calculations. The 3.8% figure was determined and applied in the same manner as for the automobile coverages.

The projected losses on line (8) were calculated by extending the amount shown on line (2) at the annual trend rate shown on line (6). The manner in which the trend is applied is the same as used for automobile rates. The procedures for projecting the loss adjustment expenses, the general expenses, and the other acquisition expenses on lines (9) and (10) are also the same as used for automobile rates.

Q.116 How were the Permissible Ratios on line (13) calculated?

A.116 These ratios represent the proportion of premium which can be expended for losses, loss adjustment expenses, and general and other acquisition expenses and still be able to provide for variable expenses (i.e. commissions, taxes, licenses and fees) and the filed profit and contingency provisions.

The motorcycle liability rate calculation also includes a provision of 8.0% for profit and a 0% provision for contingencies. Both provisions are the same as those used for private passenger autos. When the profit provision and the contingency provision are added to the combined amounts for commission and brokerage and taxes, licenses, and fees, the results for 2004, 2005 and 2006 are 20.4%, 19.1% and 20.3%, respectively. The figures shown on line (13) of page F-2 are the difference between 1.000 and the percentage figures I have just mentioned.

Q.117 How was the rate level change on line (16) determined?

A.117 Line (16) is the premium-weighted average of the three figures shown on line (15).

Q.118 Are the premiums, losses and expenses on page F-2 distinguished as between voluntary and ceded business?

A.118 No, they are not. The Rate Bureau's special call for motorcycle experience does not distinguish between voluntary and ceded business. The motorcycle rates are based on total market data just as is done for the private passenger rates.

Territory Base Rates

Q.119 Does the filing include a revision of the present territorial relativities?

A.119 Yes.

Q.120 Please explain how those relativities have been revised.

A.120 The indicated relationships between the territory base rates are based on the average loss experience for the three years ending December 31, 2006. The average loss costs for each territory are adjusted to remove any class distribution differences by territory and further adjusted for credibility, using standard actuarial credibility procedures. The indicated territory relativities based solely on the credibility adjusted loss experience are further modified to reflect the fact that general and other acquisition expenses are “fixed,” or non-variable with premium. This adjustment means there is a constant dollar provision for these expenses in each territory. The adjustment for fixed expenses has the effect of flattening the relativities between the various territories.

The territory ratemaking procedures in this filing are commonly accepted actuarial procedures and have been used in past North Carolina rate filings. The calculations are summarized on filing pages C-13 through C-23.

Conclusion

Q.121 Do you have an opinion as to whether the rates proposed in the Rate Bureau's filing are neither excessive, inadequate nor unfairly discriminatory?

A.121 Yes. The indicated rates in this filing have been calculated using generally accepted actuarial methods in all respects. I have reviewed the data and am confident that the assumptions and projections made in this filing are a reasonable reflection of past and prospective North Carolina experience. It is my actuarial opinion that the proposed rates are neither excessive nor inadequate. With respect to the standard of unfair discrimination, it is my opinion that the proposed Rate Bureau's rates reasonably reflect underlying cost differences between classes and market segments, subject to legal restrictions on certain risk classifications and the practical limitations inherent in attempting to establish average rates for the entire market.

Q.122 Are there any qualifications which you wish to attach to this opinion?

A.122 I would offer two qualifications to my opinion. As previously discussed there has been an extensive effort to identify and remove any material errors in the data which underlie the rate calculations in this filing. Based on the information available at this time there is every reason to believe it reasonable to rely on the data in this filing. However, there is always a possibility of an undiscovered, material error in this, or any, database. My opinion is based on there being no material errors in the data. My actuarial opinion of the indicated rate level change could change if material errors in the data were discovered.

I also qualify my opinion so as to clarify that I have relied on Dr. Appel and Professor Vander Weide for the determination of the appropriate profit component of the rate.

CURRICULUM VITAE

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Participation as an attendee and on the faculty of the CAS Loss Reserve Seminar, the CAS Ratemaking Seminar, and other CAS educational seminars on special topics, such as rate of return and underwriting practices.

Meet all continuing education requirements of the American Academy of Actuaries necessary to sign a public actuarial opinion.

MEMBERSHIP IN PROFESSIONAL ORGANIZATIONS:

Casualty Actuarial Society (CAS)	
Associate Member	1971
Fellow	1981
American Academy of Actuaries (AAA)	1975
Conference of Consulting Actuaries	2002-2004
Fellow	
International Actuarial Association	
Midwestern Actuarial Forum	
Chartered Life Underwriter (CLU)	

**PROFESSIONAL
ACTIVITIES:**

CAS Committee on Risk Classification, Member	1982-1984
Chairman	1983-1984
CAS Committee on Principles of Ratemaking Member	1985-1987
Chairman	1991-1992
CAS Examination Consultant	1987-1990
CAS Long-Range Planning Committee	1993-1994 1997-2000
CAS Board of Directors	1992-1993 2001-2003
CAS Officer, Vice President – Research and Development	1993-1996
CAS Task Force on Non-Traditional Practice Areas Chairman	1998-2000
CAS/SOA Joint Task Force on Financial Engineers	1998-2001
AAA, Liaison Committee to the National Association of Insurance Commissioners	1985-1988
Actuarial Education and Research Fund Board of Directors	1994-1996
AAA, Casualty Practice Council	1990-1993
Property Casualty Committee of Actuarial Standards Board, Member	1987-1993
Chairman of Ratemaking Subcommittee	1987-1988
Chairman of Property/Casualty Committee	1989-1993
Midwestern Actuarial Forum Education Officer	1986-1987
President	1988

**EMPLOYMENT
HISTORY:**

State Farm Insurance	1967-1984
M. J. Miller and Company	1984
Tillinghast	1984-1993
Miller, Herbers, Lehmann, & Associates, Inc.	1994-2002
EPIC Consulting, LLC	2003-Present

**PROFESSIONAL
PUBLICATIONS:**

“Private Passenger Automobile Insurance
Ratemaking”, Proceedings of CAS, Volume LXVI.

“Review – Risk Classification Standards by
Walters”, Proceedings of CAS, Volume LXVIII.

“A History of the Rating and Regulation of
Personal Car Insurance in the United States”,
The Institute of Actuaries of Australia, February, 1990.

“An Evaluation of Surplus Allocation Methods
Underlying Risk Based Capital Applications”,
CAS Discussion Paper Program, Volume I, 1992.

“How to Successfully Manage the Pricing Decision
Process”, CAS Discussion Paper Program, 1993.

“Building a Public Access PC-Based DFA Model”,
CAS Forum, Summer 1997, Volume 2.

“Auto Choice: Whose Fault Is It Anyway”, Contingencies,
January/February 1998

“Actuarial Implications of Texas Tort Reform”, CAS Forum,
Spring 1998.

“The Relationship of Credit-Based Insurance Scores to Private
Passenger Automobile Insurance Loss Propensity”, June 2003.

PRESENTATIONS:

Faculty member on National Association of Insurance
Commissioners’ orientation program for new insurance
commissioners, 1987-1994.

Faculty member on National Association of Independent
Insurers’ seminars on ratemaking and loss reserving.

“Key Provision in Rate Filings”, Society of State Filers.

Numerous presentations at educational seminars and meetings
conducted by the Casualty Actuarial Society on topics including
ratemaking, loss reserving, underwriting, risk classification
and rate of return.

EXPERT TESTIMONY:

Rate Regulatory Hearings in Alberta, California, Florida, Georgia,
Louisiana, Maryland, Massachusetts, Michigan, Mississippi,
New Brunswick, New Jersey, New York, North Carolina, Ohio,
Oklahoma, Ontario, Pennsylvania, Texas, Vermont, West Virginia,
and Wyoming.

Courts in Alabama, California, Florida, Minnesota, Mississippi, New
Hampshire, Pennsylvania.

**Statement of Principles Regarding
Property and Casualty Insurance Ratemaking**

(Adopted by the Board of Directors of the CAS May 1988)

The purpose of this Statement is to identify and describe principles applicable to the determination and review of property and casualty insurance rates. The principles in this Statement are limited to that portion of the ratemaking process involving the estimation of costs associated with the transfer of risk. This Statement consists of four parts:

- I. DEFINITIONS
- II. PRINCIPLES
- III. CONSIDERATIONS
- IV. CONCLUSION

The principles contained in this Statement provide the foundation for the development of actuarial procedures and standards of practice. It is important that proper actuarial procedures be employed to derive rates that protect the insurance system's financial soundness and promote equity and availability for insurance consumers.

Although this Statement addresses property and casualty insurance ratemaking, the principles contained in this Statement apply to other risk transfer mechanisms.

I. DEFINITIONS

Ratemaking is the process of establishing rates used in insurance or other risk transfer mechanisms. This process involves a number of considerations including marketing goals, competition and legal restrictions to the extent they affect the estimation of future costs associated with the transfer of risk. This Statement is limited to principles applicable to the estimation of these costs. Such costs include claims, claim settlement expenses, operational and administrative expenses, and the cost of capital. Summary descriptions of these costs are as follows:

—*Incurred losses* are the cost of claims insured.

—*Allocated loss adjustment expenses* are claims settlement costs directly assignable to specific claims.

—*Unallocated loss adjustment expenses* are all costs associated with the claim settlement function not directly assignable to specific claims.

—*Commission and brokerage expenses* are compensation to agents and brokers.

—*Other acquisition expenses* are all costs, except commission and brokerage, associated with the acquisition of business.

—*Taxes, licenses and fees* are all taxes and miscellaneous fees except federal income taxes.

—*Policyholder dividends* are a non-guaranteed return of premium charged to operations as an expense.

—*General administrative expenses* are all other operational and administrative costs.

—The *underwriting profit and contingency provisions* are the amounts that, when considered with net investment and other income, provide an appropriate total after-tax return.

II. PRINCIPLES

Ratemaking is prospective because the property and casualty insurance rate must be developed prior to the transfer of risk.

Principle 1: A *rate* is an estimate of the expected value of future costs.

Ratemaking should provide for all costs so that the insurance system is financially sound.

Principle 2: A rate provides for all costs associated with the transfer of risk.

Ratemaking should provide for the costs of an individual risk transfer so that equity among insureds is maintained. When the experience of an individual risk does not provide a credible basis for estimating these costs, it is appropriate to consider the aggregate experience of similar risks. A rate estimated from such experience is an estimate of the costs of the risk transfer for each individual in the class.

Principle 3: A rate provides for the costs associated with an individual risk transfer.

Ratemaking produces cost estimates that are actuarially sound if the estimation is based on Principles 1, 2, and 3. Such rates comply with four criteria commonly used by actuaries: reasonable, not excessive, not inadequate, and not unfairly discriminatory.

Principle 4: A rate is reasonable and not excessive, inadequate, or unfairly discriminatory if it is an actuarially sound estimate of the expected value of all future costs associated with an individual risk transfer.

III. CONSIDERATIONS

A number of ratemaking methodologies have been established by precedent or common usage

within the actuarial profession. Since it is desirable to encourage experimentation and innovation in ratemaking, the actuary need not be completely bound by these precedents. Regardless of the ratemaking methodology utilized, the material assumptions should be documented and available for disclosure. While no ratemaking methodology is appropriate in all cases, a number of considerations commonly apply. Some of these considerations are listed below with summary descriptions. These considerations are intended to provide a foundation for the development of actuarial procedures and standards of practice.

Exposure Unit—The determination of an appropriate exposure unit or premium basis is essential. It is desirable that the exposure unit vary with the hazard and be practical and verifiable.

Data—Historical premium, exposure, loss and expense experience is usually the starting point of ratemaking. This experience is relevant if it provides a basis for developing a reasonable indication of the future. Other relevant data may supplement historical experience. These other data may be external to the company or to the insurance industry and may indicate the general direction of trends in insurance claim costs, claim frequencies, expenses and premiums.

Organization of Data—There are several acceptable methods of organizing data including calendar year, accident year, report year and policy year. Each presents certain advantages and disadvantages; but, if handled properly, each may be used to produce rates. Data availability, clarity, simplicity, and the nature of the insurance coverage affect the choice.

Homogeneity—Ratemaking accuracy often is improved by subdividing experience into groups exhibiting similar characteristics. For a heterogeneous product, consideration should be given to segregating the experience into more homogeneous groupings. Additionally, subdividing or combining the data so as to minimize the distorting effects of operational or procedural changes should be fully explored.

Credibility—*Credibility* is a measure of the predictive value that the actuary attaches to a particular body of data. Credibility is increased by making groupings more homogeneous or by increasing the size of the group analyzed. A group should be large enough to be statistically reliable. Obtaining homogeneous groupings requires refinement and partitioning of the data. There is a point at which partitioning divides data into groups too small to provide credible patterns. Each situation requires balancing homogeneity and the volume of data.

Loss Development—When incurred losses and loss adjustment expenses are estimated, the development of each should be considered. The determination of the expected loss development is subject to the principles set forth in the Casualty Actuarial Society's *Statement of Principles Regarding Property and Casualty Loss and Loss Adjustment Expense Reserves*.

Trends—Consideration should be given to past and prospective changes in claim costs, claim frequencies, exposures, expenses and premiums.

Catastrophes—Consideration should be given to the impact of catastrophes on the experience and procedures should be developed to include an allowance for the catastrophe

exposure in the rate.

Policy Provisions—Consideration should be given to the effect of salvage and subrogation, coinsurance, coverage limits, deductibles, coordination of benefits, second injury fund recoveries and other policy provisions.

Mix of Business—Consideration should be given to distributional changes in deductibles, coverage limitations or type of risks that may affect the frequency or severity of claims.

Reinsurance—Consideration should be given to the effect of reinsurance arrangements.

Operational Changes—Consideration should be given to operational changes such as changes in the underwriting process, claim handling, case reserving and marketing practices that affect the continuity of the experience.

Other Influences—The impact of external influences on the expected future experience should be considered. Considerations include the judicial environment, regulatory and legislative changes, guaranty funds, economic variable, and residual market mechanisms including subsidies of residual market rate deficiencies.

Classification Plans—A properly defined classification plan enables the development of actuarially sound rates.

Individual Risk Rating—When an individual risk's experience is sufficiently credible, the premium for that risk should be modified to reflect the individual experience. Consideration should be given to the impact of individual risk rating plans on the overall experience.

Risk—The rate should include a charge for the risk of random variation from the expected costs. This risk charge should be reflected in the determination of the appropriate total return consistent with the cost of capital and, therefore, influences the underwriting profit provision. The rate should also include a charge for any systematic variation of the estimated costs from the expected costs. This charge should be reflected in the determination of the contingency provision.

Investment and Other Income—The contribution of net investment and other income should be considered.

Actuarial Judgment—Informed actuarial judgments can be used effectively in ratemaking. Such judgments may be applied throughout the ratemaking process and should be documented and available for disclosure.

IV. CONCLUSION

The actuary, by applying the ratemaking principles in this Statement, will derive an estimation of the future costs associated with the transfer of risk. Other business considerations are also a part of ratemaking. By interacting with professionals from various fields including underwriting,

marketing, law, claims, and finance, the actuary has a key role in the ratemaking process.



ACTUARIAL STANDARDS BOARD

**ACTUARIAL STANDARD
OF PRACTICE
NO. 13**

**TRENDING PROCEDURES IN
PROPERTY/CASUALTY
INSURANCE RATEMAKING**

**Developed by the
Subcommittee on Ratemaking of the
Casualty Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
July 1990**

(Doc. No. 021)

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July 1990

TO: Members of the American Academy of Actuaries and Other Persons Interested in Property/Casualty Insurance Ratemaking Trending Procedures

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice No. 13

Enclosed is the final version of Actuarial Standard of Practice (ASOP) No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*. The purpose of the standard is to set forth generally accepted actuarial practices for estimating future expected values in ratemaking, based on analysis of historical data and other relevant information.

The standard was developed by the Subcommittee on Ratemaking of the Casualty Committee of the ASB. It was exposed for comment in July 1989. Twenty-two written responses to the exposure draft were received.

The Subcommittee on Ratemaking reviewed all the suggestions and concerns expressed by both members and nonmembers of the American Academy of Actuaries regarding the draft. As a result, several changes were made to the draft by the subcommittee. Specifically, some significant modifications were as follows:

1. The purpose of trending procedures was redefined in section 1.1 to emphasize the need to estimate future expected values by analyzing historical data and other relevant information. Also, the phrase *future cost levels*, which had caused some concern, was deleted.
2. The scope of the standard was broadened by eliminating the reference to *cost elements*. In addition, the scope was rewritten to make the standard explicitly applicable to all property and casualty lines of insurance.
3. Several concerns were expressed about the context in which the terms *internal data* and *external data* were being used. There appeared to be a potential for confusion, for example, as to whether *external data* encompassed data external to an insurance company or to the entire insurance industry. In the final version, the terms *internal* and *external* data have been replaced by the terms *insurance* and *non-insurance* data, respectively.
4. Various respondents felt that the draft's reference to regression and econometric analysis unduly restricted the actuary's use of modeling in trending procedures. Accordingly, specific references to regression and econometric analysis were omitted and a more general discussion of the selection of models was substituted.
5. It was suggested that the standard be more specific with regard to the manner in which the actuary should evaluate potential selected models, retrospectively and prospectively.

Section 5.2 was strengthened to require the actuary to be familiar with *and consider* various methods for measuring trends, including steps for evaluating the tentatively selected model and possibly revising the model.

6. One respondent suggested that an additional element in the criteria for determining the trending period is the length of the experience period. The final version includes this consideration, in section 5.7(a).
7. Several respondents expressed concern over the frequent use of the term *trend* in the exposure draft. They evidently felt that it was being used as shorthand for the entire trending process, or was inappropriate in some contexts. As a result, the term *trending procedure* replaced *trend* in many places in the standard, thereby also expanding the scope.
8. A wide range of concerns was expressed about the draft's communication and disclosure requirements in section 6. In the final version, the reference explicitly requiring disclosure of material changes was deleted, and so was the example of what would generally be considered a material change. However, the revised section 6.1 specifically notes that the provisions of Actuarial Standard of Practice No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking and Loss Reserving*, apply to all aspects of ratemaking. Also, sections 6.2 and 6.3 were retained; these set forth communication requirements regarding trend selections and deviations from this standard.

Some respondents felt that definitions of *monetary* or *economic inflation*, as well as *social inflation*, were necessary. However, the subcommittee believed that monetary and economic inflation were terms that are commonly used and understood, whereas the impact of social inflation is not nearly as well known.

Finally, several respondents suggested that specific references be included in the standard relating to other important actuarial procedures such as the selection of a database, assignment of the complement of credibility, etc. These nuances are expected to be addressed by standards of practice relating to these other ratemaking procedures. Therefore, reference in this trending standard to such items has been limited.

Other changes of a grammatical or editorial nature have been made, many in response to comments received. The Casualty Committee approved the revised standard for submission to the ASB for adoption.

The standard was adopted by the ASB on July 13, 1990.

Subcommittee on Ratemaking

LeRoy A. Boison Jr., Chairperson
Richard S. Biondi Eldon J. Klaassen
Daniel J. Flaherty R. Michael Lamb
Robert W. Gossrow Robert J. Lindquist
Gary Grant Paul E. Wulterkens
Steven L. Groot

Casualty Committee

Michael J. Miller, Chairperson
Martin Adler Gary Grant
Richard Beverage Steven L. Groot
Richard S. Biondi James A. Hall III
LeRoy A. Boison Jr. E. LeRoy Heer
Douglas J. Collins Bertram A. Horowitz
Robert V. Deutsch Eldon J. Klaassen
James A. Faber R. Michael Lamb
Daniel J. Flaherty Jerry A. Miccolis
Spencer M. Gluck Robert A. Miller III
Robert W. Gossrow Gary K. Ransom
David J. Grady Paul E. Wulterkens

Actuarial Standards Board

Walter N. Miller, Chairperson
E. Paul Barnhart Frederick W. Kilbourne
Gary Corbett George B. Swick
Willard A. Hartman Jack M. Turnquist
James C. Hickman P. Adger Williams

ACTUARIAL STANDARD OF PRACTICE NO. 13

TRENDING PROCEDURES IN PROPERTY/CASUALTY INSURANCE RATEMAKING

PREAMBLE

Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—This standard of practice provides a basis for assessing procedures appropriate for estimating future expected values by analyzing historical data and other relevant information. The historical data to be considered for analysis are those referred to in the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* of the Casualty Actuarial Society (CAS).
- 1.2 Scope—This standard of practice is applicable to all property and casualty lines of insurance.
- 1.3 Effective Date—This standard will be effective three months after its adoption by the Actuarial Standards Board.

Section 2. Definitions

- 2.1 Experience Period—The period of time to which historical data used for actuarial analysis pertain.
- 2.2 Forecast Period—The future time period to which the historical data are projected.
- 2.3 Social Inflation—The impact on insurance costs of societal changes such as changes in claim consciousness, court practices, and judicial attitudes, as well as in other noneconomic factors.
- 2.4 Trending Period—The time between the average date of writing, earning, or costs of the experience period and the corresponding projected date in the forecast period.
- 2.5 Trending Procedure—A process by which the actuary evaluates how changes over time affect such items as claim costs, claim frequencies, expenses, exposures, and premiums.

Section 3. Background and Historical Issues

- 3.1 Inflation—Economic and social inflation have led to a need for increasingly sophisticated trending procedures.
- 3.2 Alternative Procedures—The *Proceedings* and the *Syllabus of Examinations* of the CAS, and many other publications such as statistics and economics textbooks, provide extensive information on alternative procedures. The actuary may refer to these or develop other procedures, as appropriate for each situation.

Section 4. Current Practices and Alternatives

- 4.1 Historical Insurance Data—Trending procedures are used in ratemaking for most property/casualty insurance plans or policies. In such procedures, actuaries generally place reliance on (1) data generated by the book of business being priced; (2) other insurance data, and (3) non-insurance data, in that order of preference.
- 4.2 Models—Mathematical models are often used to smooth and extrapolate from historical data. In the absence of strong contrary indications, there is a reliance on extrapolations of historical insurance data from the mathematical models. Models based on non-insurance data are also used as trending procedures.
- 4.3 Actuarial Judgment—In trending procedures, judgmental considerations generally include, but are not limited to, the historical data used, the success of the model in making prior projections, the statistical goodness of fit of the model to the historical data, and the impact of any sudden, nonrecurring changes (e.g., tort reform) which had not yet been incorporated in the historical data.

STANDARD OF PRACTICE

Section 5. Analysis of Issues and Recommended Practices

- 5.1 Estimating Future Costs—Principle 1 of the CAS *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* states that “a rate is an estimate of the expected value of future costs.” Accordingly, the application of appropriate trending procedures in the ratemaking process is essential to estimate those future costs.
- 5.2 Selection of Models—The actuary should be familiar with and consider various methods in statistics and numerical analysis for measuring trends. This process also involves steps for evaluating the tentatively selected model and possibly revising the model.
- 5.3 Purpose of Trending Procedures—The purpose of trending procedures is to estimate future expected values by analyzing historical data and other relevant information. Therefore, the actuary should apply trending procedures which appropriately reflect projected changes in such components as claim costs, claim frequencies, expenses, exposures, and premiums over the trending period.
- 5.4 Analysis of Historical Insurance Data—The actuary should select trending procedures with appropriate consideration given to the analysis of historical insurance data. This includes, but is not limited to, evaluation of:
- a. trending procedures established by precedent or common usage in the actuarial profession;
 - b. trending procedures used in previous analyses;
 - c. the choice of an appropriate data base and methodology, with particular emphasis given to the credibility of the data relied upon; and
 - d. the effect of known biases or distortions on the experience relied upon (e.g., impact of catastrophic influences, seasonality, coverage changes, nonrecurring events, and distributional changes in deductibles, types of risks, and policy limits).
- 5.5 Analysis of Non-Insurance Data—Relevant non-insurance data may supplement insurance data. These non-insurance data may indicate general trends in such components as claim costs, claim frequencies, expenses, exposures, and premiums.
- 5.6 Economic and Social Influences—Many economic and social influences can have an impact on trends. In selecting the appropriate trending procedure, the actuary

should consider those economic and social influences that may have an impact on trends. It is inappropriate to analyze only those factors that have an impact on trend in only one direction.

- 5.7 Criteria for Determining Trending Period—In determining the parameters (e.g., average dates of writing, earning, or costs) associated with the experience and forecast periods, criteria such as the following should be considered:
- a. the length of the experience period;
 - b. the expected length of the forecast period (e.g., 2 years);
 - c. the term of the policies (e.g., 1 year, 3 years) contributing to the experience and forecast periods; and
 - d. the distribution of policies written or costs incurred throughout the experience and forecast periods (e.g., uniform distribution).
- 5.8 Informed Actuarial Judgment—Any trending procedure requires the actuary to exercise informed judgment, using information on historical insurance data and the impact of relevant economic and social factors, as well as statistical validation and testing procedures.

Section 6. Communications and Disclosures

- 6.1 Documentation and Disclosure Standard—The actuary should be mindful that the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking and Loss Reserving*, adopted by the ASB in April 1989, apply to all aspects of ratemaking.
- 6.2 Trend Selection—If a trend is selected that is substantially different from one that is suggested by the range of available relevant information, the reasons for such a selection should be documented and disclosed.
- 6.3 Deviation from Standard—An actuary who uses a procedure which differs from this standard should include, in the actuarial communication disclosing the result of the procedure, an appropriate and explicit statement with respect to the nature, rationale, and effect of such use.



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 17**

Expert Testimony by Actuaries

Revised Edition

**Developed by the
Expert Witness Task Force of the
General Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
March 2002**

(Doc. No. 087)

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March 2002

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Expert Testimony by Actuaries

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice (ASOP) No. 17

This booklet contains the final version of ASOP No. 17, *Expert Testimony by Actuaries*.

Background

The ASB originally adopted ASOP No. 17, *Expert Testimony by Actuaries* (Doc. No. 029) in 1991. Since that time, actuarial practice in this area has evolved. Under the direction of the ASB, the Expert Witness Task Force has revised ASOP No. 17 to be consistent with the current ASOP format adopted by the ASB in May 1996 for all future actuarial standards of practice and to reflect current practices in the area of expert testimony.

Actuarial opinions that are widely divergent may raise a question about the reasonableness of one or more opinions. This question is likely to arise when the basis for any opinion is not soundly thought out or not well explained. By contrast, actuarial opinions that are supportable and carefully prepared and explained, though divergent, can generate confidence in actuaries' competence to evaluate the costs and benefits of future contingent events. The focus of this standard is on the preparation and delivery of sound expert testimony by actuaries.

Exposure Draft

The exposure draft of this revised standard was issued in March 2001 with a comment deadline of August 15, 2001. The Expert Witness Task Force with the help of the General Committee carefully considered the eighteen comment letters received. For a summary of the substantive issues contained in these comment letters, please see appendix 2.

The most significant changes from the exposure draft were as follows:

1. The first paragraph of section 1.2, Scope, was reworded to clarify the extent to which the standard applies to actuaries providing litigation support;
2. A sentence was added to section 3.5, Identity of Principal, to specifically address the extent to which the actuary can rely upon information and instructions received from representatives of principals;
3. The last sentence of section 3.9, Cross-Examination, which advised that the actuary should expect to be cross-examined on the basis of prior statements, was stricken as being redundant with section 3.10, Consistency with Prior Statements;
4. Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum"), was retitled and substantially rewritten in response to suggestions that the disclosure and compliance obligations of the actuary be more precisely identified; and
5. Section 4.3, Prescribed Statement of Actuarial Opinion, was amended to use the alternative language provided in the Transmittal Memorandum of the exposure draft.

The task force would like to thank former General Committee members Donald F. Behan, Lee R. Steeneck, and Paul B. Zeisler for their contribution to the revision of this standard.

The ASB voted in March 2002 to adopt this standard.

Expert Witness Task Force

Charles L. McClenahan, Chairperson
 Frederick W. Kilbourne Lee A. Zinzow
 Patricia L. Scahill

General Committee of the ASB

William C. Cutlip, Chairperson
 William Carroll Donna C. Novak
 Janet M. Carstens William H. Odell
 Ethan E. Kra Robert A. Potter

Actuarial Standards Board

William C. Koenig, Chairperson
 Ken W. Hartwell Alan J. Stonewall

Roland E. King
Michael A. LaMonica
Heidi Rackley

Karen F. Terry
William C. Weller
Robert E. Wilcox

ACTUARIAL STANDARD OF PRACTICE NO. 17

EXPERT TESTIMONY BY ACTUARIES

STANDARD OF PRACTICE

Section 1. Purpose, Scope, Cross References, and Effective Date

- 1.1 Purpose—This actuarial standard of practice (ASOP) provides guidance to actuaries providing expert testimony.
- 1.2 Scope—This standard applies to actuaries when they testify as actuarial experts at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. This standard does not apply to actuaries providing litigation support other than the expert testimony itself. However, actuaries providing such litigation support may consider the guidance in this standard to the extent that it is applicable and appropriate.

This standard supplements the *Code of Professional Conduct* and is intended to provide specific guidance with respect to expert testimony. Reference should also be made to other actuarial standards of practice concerned with the actuarial substance of the assignment.

Nothing in this standard is intended to discourage reasonable differences of actuarial opinion, or to inhibit responsible creativity in advancing the practice of actuarial science. Further, this standard is not intended to restrain unreasonably the selection of actuarial assumptions or methods, the communication of actuarial opinions, or the relationship between the actuary and a principal. Nothing in this standard is intended to prevent the actuary from challenging the application or a particular interpretation of existing precedent, law, or regulation where such application or interpretation would, in the opinion of the actuary, be inconsistent with otherwise appropriate actuarial practice.

To the extent that the guidance in this standard may conflict with the guidance in other ASOPs, the actuary should use professional judgment in reconciling such conflict. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

- 1.3 Cross References—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any

successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.

- 1.4 Effective Date—This standard is effective for all expert testimony provided on or after July 15, 2002.

Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 Actuarial Assumption—The value of a parameter or other actuarial choice having an impact on an estimate of a future cost or other actuarial item under evaluation.
- 2.2 Actuarial Method—A procedure by which data are analyzed and utilized for the purpose of estimating a future cost or other actuarial item.
- 2.3 Actuarial Opinion—A conclusion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods to a body of data.
- 2.4 Data—Statistical or other information that is generally numerical in nature or susceptible to quantification.
- 2.5 Expert—One who is qualified by knowledge, skill, experience, training, or education to render an opinion or otherwise testify concerning the matter at hand.
- 2.6 Material—An item is material if it has an impact on the affected actuarial opinion, which is significant to the interested parties.
- 2.7 Principal—A client or employer of the actuary.
- 2.8 Testimony—Communication presented in the capacity of an expert witness at trial, in hearing or arbitration, in deposition, or by declaration or affidavit. Such testimony may be oral or written, direct or responsive, formal or informal.

Section 3. Analysis of Issues and Recommended Practices

An actuary providing expert testimony performs an important service to the actuary's principal, the forum, and the public by explaining complex technical concepts that can be critical to resolution of disputes. Actuaries may differ in their conclusions even when applying reasonable assumptions and appropriate methods, and a difference of opinion between actuaries is not, in and of itself, proof that an actuary has failed to meet professional standards. However, an actuary providing expert testimony should comply with the requirements of the *Code of Professional Conduct*. In particular, the actuary should act honestly, with integrity and competence, and in a manner to fulfill the profession's responsibility to the public, and should take reasonable steps to ensure that the expert testimony is not used to mislead other parties.

- 3.1 Review and Compliance—In addition to complying with this standard, the actuary providing expert testimony should review and comply with applicable actuarial standards of practice, the *Qualification Standards for Prescribed Statements of Actuarial Opinion*, and the *Code of Professional Conduct*.
- 3.2 Conflict with Laws and Regulations—If the actuary believes that a relevant law or regulation contains a material conflict with appropriate actuarial practices, the actuary should disclose the conflict, subject to the constraints of the forum.
- 3.3 Conflict of Interest—The actuary should be alert to the possibility of conflict of interest, and should address any real or apparent conflict of interest in accordance with Precept 7 of the *Code of Professional Conduct*.
- 3.4 Advocacy—There may be occasions when an actuary acts as an advocate for a principal when giving expert testimony. Nothing in this standard prohibits the actuary from acting as an advocate. However, acting as an advocate does not relieve the actuary of the responsibility to comply with the *Code of Professional Conduct* and to use reasonable assumptions and appropriate methods (unless using prescribed or alternative methods or assumptions and so disclosing in accordance with section 3.6).
- 3.5 Identity of Principal—The actuary should identify the principal on whose behalf the actuary is to give expert testimony. This principal usually names a representative, such as an attorney or manager, to whom the actuary reports during the course of the assignment. Even though that representative may retain or pay the actuary, the actuary's ultimate obligation is to the principal and not to the principal's representative. However, in the absence of evidence to the contrary, the actuary may rely upon information and instructions from the representative as though they came directly from the principal.
- 3.6 Prescribed or Alternative Methods and Assumptions—If the actuary performs calculations using prescribed or alternative assumptions or methods different from the assumptions or methods

selected by the actuary in forming the actuary's expert opinion, the actuary should state, subject to the constraints of the forum, whether the results are consistent with the actuary's own expert opinion.

- 3.7 Hypothetical Questions—The actuary may be asked to answer hypothetical questions. Hypothetical questions may fairly reflect facts in evidence, may include only a part of the facts in evidence, or may include assumptions the actuary believes to be untrue or unreasonable. The actuary may refuse to answer hypothetical questions based upon unreasonable assumptions, subject to the constraints of the forum.
- 3.8 Testifying Concerning Other Relevant Testimony—When the actuary testifies concerning other relevant testimony, including opposing testimony, the actuary should testify objectively, focusing on the reasonableness of the other testimony and not solely on whether it agrees or disagrees with the actuary's own opinion.
- 3.9 Cross-Examination—Although the actuary must respond truthfully to questions posed during cross-examinations, the actuary need not volunteer information that may be adverse to the interest of the principal.
- 3.10 Consistency with Prior Statements—When giving expert testimony, the actuary should be mindful of statements the actuary may have made on the same subject. If the actuary employs different methods or assumptions in the current situation, the actuary should be prepared to explain why.
- 3.11 Discovery of Error—If, after giving expert testimony, the actuary discovers that a material error was made, the actuary should make appropriate disclosure of the error to the principal or the principal's representative as soon as practicable.
- 3.12 Limitation of Expert Testimony—The actuary's expert testimony should be presented in a manner appropriate to the nature of the forum. If any constraints are imposed or expected to be imposed on the actuary's ability to comply with the *Code of Professional Conduct* or other professional standards, the actuary should consider whether it is appropriate to serve or continue to serve as an expert.

Section 4. Communications and Disclosures

- 4.1 Written Reports—Expert testimony delivered by means of a written report should describe the scope of the assignment, including any limitations or constraints. The written report should include descriptions and sources of the data, actuarial methods, and actuarial assumptions used in the analysis in a manner appropriate to the intended audience.

- 4.2 Oral Testimony—In delivering expert testimony orally, the actuary should express opinions in a manner appropriate to the intended audience. In addition, the actuary should, to the extent practicable, be prepared to document oral testimony.
- 4.3 Prescribed Statement of Actuarial Opinion—The actuary providing expert testimony should satisfy the *Qualification Standards for Prescribed Statements of Actuarial Opinion* promulgated by the American Academy of Actuaries in each practice area that is a primary subject of the actuary's testimony.
- 4.4 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such use, subject to the constraints imposed by the nature of the forum.

Appendix 1

Background and Current Practices

Note: The following appendix is provided for informational purposes, but is not part of the standard of practice.

Background

The Actuarial Standards Board first adopted Actuarial Standard of Practice No. 17, *Expert Testimony by Actuaries*, in January of 1991. The standard addressed a type of practice, expert testimony, which had not been explicitly addressed in previously adopted standards. The standard also crossed traditional practice areas to apply whenever actuaries offered expert testimony concerning pensions or insurance. As such, the standard contained a significant amount of educational material.

Since the standard was first adopted, actuaries have become increasingly active as expert witnesses, appearing in a greater variety of venues and addressing an expanding range of topics. As actuaries have become more knowledgeable about providing expert testimony, the need for educational material has lessened to some degree. The Actuarial Standards Board has also adopted a new format for standards, and this standard reflects that format.

Current Practices

Actuaries may be called upon to give expert testimony concerning a broad range of issues, such as the following:

- a. actuarial present values of retirement or other benefits;
- b. actuarial values incident to a divorce;
- c. adequacy or appropriateness of reserves, premium rates, pricing or underwriting procedures, or provision for administrative costs;
- d. cost impact of claims-made or claims-paid financing;
- e. cost impact of risk classification systems, tort liability decisions, or legislative/regulatory proposals;

- f. lost earnings of a decedent or injured person and the actuarial present value of such lost earnings;
- g. malpractice alleged of an actuary;
- h. relationships between risk and return on investments;
- i. value of an insurance company or other entity; and
- j. withdrawal liability assessments under multiemployer benefit plans.

Actuarial expert testimony may be given in many forums including, but not limited to, the following:

- a. administrative hearings or other executive branch proceedings;
- b. arbitration or other extra-judicial proceedings;
- c. committee hearings or other legislative branch proceedings; and
- d. courts of law or other judicial branch proceedings, including depositions, declarations, and affidavits.

Actuarial testimony may be oral or written, direct or responsive, formal or informal. Actuaries may also be called upon to provide expert analysis or other litigation support in settings where they are not expected to testify.

Although actuaries sometimes provide expert testimony and support directly to a legislator, regulator, arbitrator, or judge, more typically the actuary's principal is a party to the proceedings at which testimony is to be given. Parties to such proceedings may be the shareholders of a corporation, the policyholders of an insurer, the electorate of a political jurisdiction, the employers who maintain a state fund, or another individual or group of persons. In most instances, the principal will have retained an attorney or other representative. Often, it is the attorney or representative who retains the actuary on the principal's behalf.

Actuaries may find themselves testifying in opposition to the opinions of other actuaries or other experts in another field (for example, accountants, statisticians, or economists) who are on opposite sides of a proceeding. At times, the opinions, assumptions, and/or conclusions expressed in expert testimony by others will be in conflict with those of the actuary. These situations may generate doubt in the minds of the audience as to which expert to believe. In such a situation, if asked to comment on the differences in testimony, actuaries attempt to demonstrate factually that the other expert's opinions, assumptions, and/or conclusions are based on flawed data or methods. Alternatively, depending on the

circumstances, the actuary may seek to demonstrate that differences between the actuary's conclusions and those of the other expert are not material.

One challenge faced by actuaries testifying as experts is that often the audience lacks the necessary background to readily understand an actuary's testimony. Individuals who are unfamiliar with actuarial concepts may be unable to understand communications that presuppose basic actuarial knowledge, particularly if such communications are presented using terms or acronyms with which they are unfamiliar. When an actuary testifies, it is generally important to explain technical terms and concepts so that, to the extent practicable, the audience can understand them, particularly if the audience is not sufficiently familiar with actuarial methods and assumptions to distinguish testimony that is precisely accurate but ultimately misleading. It is usually beneficial for the actuary to provide expert testimony as clearly as practicable.

Actuarial projections have a degree of uncertainty because they are based on the probability of occurrence of future contingent events. An important challenge for the testifying actuary, and arguably a most difficult one, is to convey the inherent uncertainty of actuarial estimates. Because a projection necessarily has a degree of uncertainty associated with it, actuaries may be called upon to explain the concept of uncertainty and to convey to the audience whether the actuary's own expectations for future results are within a range believed to be acceptable to most actuaries. Moreover, when providing expert testimony, actuaries generally defend against the characterization of actuarial science or specific actuarial opinions as "guesses," "guesstimates," or the like. Although there are uncertainties inherent in future projections and stochastic processes, that uncertainty does not make an actuarially sound analysis the equivalent of a "guess."

Attorneys may seek on cross-examination to attack actuarial opinions and judgments incrementally, a tactic that may be harmful to the credibility of a testifying actuary who does not respond appropriately to it. For example, if an actuary has testified to an opinion that a reasonable range for a specific liability is between \$5 and \$6 million, when asked on cross-examination whether \$4,999,999 would be a reasonable liability, an appropriate response would be along the lines of, "that number would fall outside of my range of reasonable estimates and would therefore be categorized as not being reasonable." A response such as "that liability is only one dollar below my range of reasonable estimates and, therefore, could be reasonable," is likely to generate further incremental attacks (for example, "what about \$4,999,998?") that weaken the credibility of the actuary's testimony.

Disclosure of pertinent information (including, but not limited to, the name of the principal, the actuarial methods used, the assumptions selected and support therefor, and any potential conflicts of interest) strengthens the credibility of the actuary's testimony. Such disclosure can be particularly important when testimony is subsequently discovered to be in error. The actuary testifying as an expert witness may not have access to all parties who have relied upon expert testimony subsequently discovered to be in error, but an actuary who discovers a material error in testimony is usually prudent to correct the error, particularly if the actuary is recalled to the stand, and to document in writing the corrective steps taken.

Ultimately, the actuary seeks to provide the forum with a valid actuarial opinion based upon truthful expression of the underlying facts. This serves not only the actuary's principal, but others who may be directly or indirectly affected by the proceedings. These others may include the principal's opponent in a lawsuit, the current and potential policyholders in a rate hearing, the plan participants and their dependents in an employee benefit plan action, the creditors in bankruptcy court, or others. Actuaries benefit the public when they apply their professional skills in a manner that promotes the general welfare, and they enhance relations with their professional peers when they represent their work fairly and give credit where appropriate.

Appendix 2

Comments on the 2001 Exposure Draft and Task Force Responses

The exposure draft of this actuarial standard of practice (ASOP), titled *Expert Testimony by Actuaries*, was issued in March 2001, with a comment deadline of August 15, 2001. Eighteen comment letters were received. The Expert Witness Task Force, with the help of the General Committee, carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the task force's responses.

GENERAL COMMENTS	
Comment	Some commentators suggested that the standard should more explicitly address the actuary's duty to the public and the actuarial profession by emphasizing objectivity and explicitly requiring the actuary to consider all material factors.
Response	The task force believes that the standard appropriately addresses the commentators' concerns and made no change.
Comment	One commentator suggested establishing a hierarchy of actuarial standards of practice to address potential conflicts between standards.
Response	The task force believes that the actuarial standards of practice appropriately address potential conflicts and, in any event, that the establishment of such a hierarchy would be beyond the scope of this standard.
Comment	Several commentators suggested editorial changes in various sections of the standard.
Response	The task force implemented such suggestions if they enhanced clarity and did not alter the intent of the section.
SECTION 1. PURPOSE, SCOPE, CROSS-REFERENCES, AND EFFECTIVE DATE	
Section 1.1, Purpose	
Comment	One commentator suggested changing "the actuary" to "actuaries" in this section.
Response	The task force adopted the commentator's suggestion.
Section 1.2, Scope	
Comment	Some commentators expressed support for the scope of the proposed standard. One commentator suggested editorial changes to clarify this section. Another commentator suggested clarifying how an actuary might challenge existing precedent, law, or regulation.
Response	The task force adopted the commentators' proposed changes as appropriate.
Comment	One commentator stated that an actuary who challenges existing precedent, law or regulation should note that fact as part of the testimony.
Response	The task force believes that section 3.2 adequately addresses this point.

SECTION 2. DEFINITIONS	
Comment	One commentator suggested adding a definition of “declaration.”
Response	The task force believes that this term is adequately defined in common legal usage and that, therefore, no definition is needed.
Comment	One commentator suggested restoring the definition of “actuarial literature.”
Response	The term “actuarial literature” is not used in the standard and it is not the practice of the ASB to define terms that do not appear in a standard. The task force made no change.
Section 2.3, Actuarial Opinion	
Comment	One commentator suggested revising the definition of “actuarial opinion” to be “an opinion drawn by an actuary from actuarial knowledge or from the application of one or more actuarial methods and actuarial assumptions that the actuary endorses to a body of data.”
Response	The task force disagreed and made no change.
Section 2.7, Principal	
Comment	One commentator suggested changing this definition to provide a broader description of client relationships and the actuary’s duty to other participants in litigation.
Response	The definition is consistent with the <i>Code of Professional Conduct</i> and the task force believes that section 3.5 of the standard adequately addresses the actuary’s responsibilities to the various participants in litigation. No changes were made in the definition.
SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.1, Review and Compliance	
Comment	One commentator thought the reference to the <i>Code of Professional Conduct</i> should have spoken to the Codes of the five U.S.-based organizations representing actuaries.
Response	The task force disagreed, noting that all of the U.S.-based organizations have adopted the same <i>Code of Professional Conduct</i> .
Section 3.3, Conflict of Interest	
Comment	One commentator suggested that Precept 7 of the <i>Code of Professional Conduct</i> be reprinted in this section.
Response	The task force disagreed.
Section 3.4, Advocacy	
Comment	One commentator suggested revising this section to be more specific in addressing particular circumstances.
Response	Although the task force did not agree that particular circumstances needed to be addressed more specifically, the task force did revise section 3.4 to emphasize the actuary’s responsibilities under the <i>Code of Professional Conduct</i>
Section 3.5, Identity of Principal	
Comment	One commentator suggested clarifying revisions to this section.
Response	The task force adopted the commentator’s suggestion.

Section 3.6, Prescribed or Alternative Methods and Assumptions	
Comment	Two commentators observed that this section was unclear.
Response	The task force disagreed, finding the guidance in this section clear and appropriate.
Comment	One commentator suggested that this section might be interpreted to require the actuary to disclose an excessively broad range of results.
Response	The task force disagreed and made no change.
Comment	One commentator suggested that this section be revised to direct the actuary to explain why the opinion lies within the reasonable range of results rather than requiring the actuary to identify particular results that might differ.
Response	The task force believes that the guidance in the standard is appropriate and made no change.
Comment	One commentator suggested that this section might be inconsistent with section 3.9, Cross-Examination.
Response	The task force disagreed.
Section 3.7, Hypothetical Questions	
Comment	One commentator suggested adding guidance on how the actuary should respond if required to answer a hypothetical question.
Response	The task force disagreed and made no change.
Section 3.9, Cross-Examination	
Comment	Some commentators believed that this section gave the actuary too much leeway to withhold information inimical to the principal.
Response	The task force disagreed, concluding that the guidance offered in this section is appropriate when considered in conjunction with section 3.4, Advocacy.
Comment	One commentator suggested deleting the last sentence of this section as unnecessary.
Response	The task force agreed that this sentence was redundant with section 3.10 and deleted it.
Section 3.10, Consistency with Prior Statements	
Comment	One commentator believed that the guidance in this section was generic and should be moved to the appendix.
Response	The task force believed the guidance was appropriately placed within the standard and made no change.
Section 3.11, Discovery of Error	
Comment	Some commentators suggested that the actuary's responsibility to disclose error should extend beyond disclosure to the actuary's principal.
Response	The task force disagreed, concluding that the scope of the actuary's responsibility is appropriately stated and noting that the <i>Code of Professional Conduct</i> and other Actuarial Standards of Practice also provide guidance on this issue.

Section 3.12, Limitation of Expert Testimony (previously titled, "Nature of the Forum")	
Comment	One commentator expressed discomfort with the actuary's merely reviewing and explaining the standard with the principal. Another commentator offered clarifying language which focused on the actuary's presentation within a forum and the appropriate actions to be taken when constraints occur.
Response	The task force adopted part of the second commentator's suggested language and strengthened the language dealing with constraints, thereby addressing the concerns of the first commentator as well.
SECTION 4. COMMUNICATIONS AND DISCLOSURES	
Section 4.2, Oral Testimony (previously titled "Oral Reports and Testimony")	
Comment	One commentator suggested that an actuary be required to provide a written actuarial report or memorandum to support all oral testimony.
Response	The task force disagreed and made no change.
Section 4.3, Prescribed Statement of Actuarial Opinion	
Comment	Some commentators objected to characterizing expert testimony as a "prescribed statement of actuarial opinion" for purposes of the <i>Qualification Standards for Prescribed Statements of Actuarial Opinion</i> . Other commentators agreed with the characterization, while still others expressed support for the more limited approach described in the transmittal memorandum accompanying the exposure draft.
Response	After carefully considering all comments received, the task force decided to adopt the more limited language described in the transmittal memorandum.



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 23**

Data Quality

Revised Edition

**Developed by the
General Committee of the
Actuarial Standards Board and
Applies to All Practice Areas**

**Adopted by the
Actuarial Standards Board
December 2004**

(Doc. No. 097)

ASOP No. 23—December 2004

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ASOP No. 23—December 2004

December 2004

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Data Quality

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice (ASOP) No. 23

This booklet contains the final version of a revision of ASOP No. 23, *Data Quality*.

Background

The ASB originally adopted ASOP No. 23, *Data Quality* (Doc. No. 044), in 1993. The previous ASOP was prepared by the Data Quality Task Force of the Specialty Committee of the ASB. The General Committee has prepared this revision of ASOP No. 23 to be consistent with the current ASOP format, to reflect current, generally accepted practice with respect to data quality, and to provide guidance concerning other information relevant to the use of data.

Exposure Draft

The exposure draft of this ASOP was approved for exposure in October 2003 with a comment deadline of March 31, 2004. Twenty-eight comment letters were received and considered in developing the final standard. A summary of the substantive issues contained in the exposure draft comment letters and the General Committee's responses are provided in appendix 2.

The most significant changes from the exposure draft were as follows:

1. Section 1.2, Scope, has been clarified to indicate that if this standard establishes requirements in addition to those imposed by law, the actuary should satisfy the requirements of both the standard and the law.
2. When data are supplied by others, section 3.3 clarifies that the actuary should follow the guidance of section 3.5, Review of Data, before relying on such data. This means that the actuary should review the data for reasonableness and consistency unless, in the actuary's professional judgment, such a review is not necessary or not practical.

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3. Similarly, section 3.4, Reliance on Other Information Relevant to the Use of Data, allows reliance on such information, but now does so “unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable.”
4. The standard clarifies that section 3.5, Review of Data, applies whether the actuary prepared the data or received the data from a third party. The section also suggests that, in doing the review of the data, the actuary attempt to determine the definition of each data element used in the analysis. A definition of “review” has been added to section 2, pointing out that this is an informal examination of the obvious characteristics of the data.
5. The sentence that appeared in the previous ASOP No. 23 but was removed from the exposure draft of this revision, which stated that the actuary is not expected to “develop additional data compilations solely for the purpose of searching for questionable or inconsistent data,” was reinserted in section 3.6, Limitation of the Actuary’s Responsibility.
6. Section (c) of 3.7, Use of Data, was expanded to apply to results that are highly uncertain, in addition to those that have a material bias. Appropriate disclosure is required in section 4.1 if the actuary decides to complete the assignment in such circumstances.
7. The committee clarified section 3.8 by explicitly requiring the actuary to document any material defects in the data, in keeping with the requirements of ASOP No. 41, *Actuarial Communications*.

The General Committee thanks everyone who took the time to contribute comments on the exposure draft.

The ASB voted in December 2004 to adopt this standard.

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General Committee of the ASB

W.H. Odell, Chairperson

Phillip N. Ben-Zvi	Ethan E. Kra
Thomas K. Custis	Mark E. Litow
Larry M. Gorski	Donna C. Novak
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ACTUARIAL STANDARD OF PRACTICE NO. 23

DATA QUALITY

STANDARD OF PRACTICE

Section 1. Purpose, Scope, Cross References, and Effective Date

1.1 **Purpose**—The purpose of this actuarial standard of practice (ASOP) is to give guidance to the actuary in the following:

- a. selecting the data that underlie the actuarial work product;
- b. relying on data supplied by others;
- c. reviewing data;
- d. using data; and
- e. making appropriate disclosures with regard to data quality.

1.2 **Scope**—This standard applies to actuaries when providing professional actuarial services in all practice areas. Other actuarial standards of practice may contain additional considerations related to data quality that are applicable to particular areas of practice or types of actuarial assignment.

This standard does not require the actuary to audit data.

If this standard establishes requirements in addition to those imposed by applicable law, regulation, or other binding authority, the actuary should satisfy the requirements of both the applicable law and the standard. To the extent applicable law conflicts with this standard, compliance with such applicable law shall not be deemed a deviation from this standard, provided the actuary discloses that the actuarial assignment was performed in accordance with the requirements of such applicable law.

1.3 **Cross References**—When this standard refers to the provisions of other documents, the reference includes the referenced documents as they may be amended or restated in the future, and any successor to them, by whatever name called. If any amended or restated document differs materially from the originally referenced document, the actuary should consider the guidance in this standard to the extent it is applicable and appropriate.

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- 1.4 Effective Date—This standard will be effective for any actuarial work product for which data were provided to or developed by the actuary on or after May 1, 2005. In all cases, this standard will be effective for any actuarial work product commenced on or after July 1, 2006.

Section 2. Definitions

The terms below are defined for use in this actuarial standard of practice.

- 2.1 Appropriate Data—For purposes of data quality, data are appropriate if they are suitable for the intended purpose of an analysis and relevant to the system or process being analyzed.
- 2.2 Audit—To conduct a formal and systematic examination of a set of data for the purpose of testing its accuracy, using techniques commonly employed by audit professionals.
- 2.3 Comprehensive Data—For purposes of data quality, data obtained from inventory or sampling methods are comprehensive if they contain sufficient data elements or records needed for the analysis.
- 2.4 Data—For purposes of this standard, the term refers to numerical, census, or classification information and not to general or qualitative information. Assumptions are not data, but data are commonly used in the development of actuarial assumptions.
- 2.5 Data Element—An item of information, such as date of birth or risk classification.
- 2.6 Practical—Realistic in approach during the time of the assignment, given the purpose and nature of the assignment and any constraints, including cost and time considerations.
- 2.7 Review—An informal examination of the obvious characteristics of the selected data to determine if such data appear reasonable and consistent for purposes of the assignment. A review is not an audit of data.

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Section 3. Analysis of Issues and Recommended Practices

- 3.1 Overview—Data that are completely accurate, appropriate, and comprehensive are frequently not available. The actuary should use available data that, in the actuary's professional judgment, allow the actuary to perform the desired analysis. However, if material data limitations are known to the actuary, the actuary should disclose those limitations and their implications. The following sections discuss such considerations in more detail.
- 3.2 Selection of Data—In undertaking an analysis, the actuary should consider what data to use. The actuary should consider the scope of the assignment and the intended use of the analysis being performed in order to determine the nature of the data needed and the number of alternative data sets or data sources, if any, to be considered. The actuary should do the following:
- a. consider the data elements that are desired and possible alternative data elements; and
 - b. select the data with due consideration of the following:
 1. appropriateness for the intended purpose of the analysis, including whether the data are sufficiently current;
 2. reasonableness and comprehensiveness of the necessary data elements, with particular attention to internal and external consistency;
 3. any known, material limitations of the data;
 4. the cost and feasibility of obtaining alternative data, including the ability to obtain the information in a reasonable time frame;
 5. the benefit to be gained from an alternative data set or data source as balanced against its availability and the time and cost to collect and compile it; and
 6. sampling methods, if used to collect the data.
- 3.3 Reliance on Data Supplied by Others—In most situations, the data are provided to the actuary by others. The accuracy and comprehensiveness of data supplied by others are the responsibility of those who supply the data. The actuary may rely on data supplied by others, subject to the guidance in section 3.5. In doing so, the actuary should disclose such reliance in an appropriate actuarial communication.

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- 3.4 **Reliance on Other Information Relevant to the Use of Data**—In many situations, the actuary is provided with other information relevant to the appropriate use of data, such as contract provisions, plan documents, and reinsurance treaties. The validity and comprehensiveness of such information are the responsibility of those who supply such information. The actuary may rely on such information supplied by another, unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable. The actuary should disclose reliance on information provided by another in an appropriate actuarial communication.
- 3.5 **Review of Data**—A review of data may not always reveal existing defects. Nevertheless, whether the actuary prepared the data or received the data from others, the actuary should review the data for reasonableness and consistency, unless, in the actuary's professional judgment, such review is not necessary or not practical. In exercising such professional judgment, the actuary should take into account the extent of any checking, verification, or auditing that has already been performed on the data, the purpose and nature of the assignment, and relevant constraints.

When determining the nature and extent of such a review, the actuary should consider the following:

- a. **Data Definitions**—The actuary should make a reasonable effort to determine the definition of each data element used in the analysis, as described in section 3.2.
- b. **Identify Questionable Data Values**—The actuary should review the data used directly in the actuary's analysis for the purpose of identifying data values that are materially questionable or relationships that are materially inconsistent. If the actuary believes questionable or inconsistent data values could have a material effect on the analysis, the actuary should consider further steps, when practical, to improve the quality of the data.
- c. **Review of Prior Data**—If similar work has been previously performed for the same or recent periods, the actuary should consider reviewing the current data for consistency with the data used in the prior analysis. If the actuary does not have the prior data, the actuary should consider requesting the prior data.

If, in the actuary's professional judgment, it is not appropriate to perform a review of the data, the actuary should disclose that the actuary has not done such a review and should disclose any resulting limitation on the use of the actuarial work product.

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- 3.6 **Limitation of the Actuary's Responsibility**—The actuary is not required to do any of the following:
- a. determine whether data or other information supplied by others are falsified or intentionally misleading;
 - b. develop additional data compilations solely for the purpose of searching for questionable or inconsistent data; or
 - c. audit the data.
- 3.7 **Use of Data**—Because data that are completely accurate, appropriate, and comprehensive are frequently not available, the actuary should make a professional judgment about which of the following is applicable:
- a. the data are of sufficient quality to perform the analysis;
 - b. the data require enhancement before the analysis can be performed, and it is practical to obtain additional or corrected data that will allow the analysis to be performed;
 - c. judgmental adjustments or assumptions can be applied to the data that allow the actuary to perform the analysis. If the actuary judges that the use of the data, even with adjustments and assumptions applied, may cause the results to be highly uncertain or contain a material bias, the actuary may choose to complete the assignment, but should disclose the potential existence of the uncertainty or bias, and, if reasonably determinable, their nature and potential magnitude;
 - d. if the actuary believes that the data are likely to contain material defects, the actuary should determine, if practical, the nature and extent of any checking, verification, or auditing that may have been performed on the data. Then, if, in the actuary's professional judgment, a more extensive review is needed, the actuary should arrange for such a review prior to completing the assignment; or
 - e. if, in the actuary's professional judgment, the data are so inadequate that the data cannot be used to satisfy the purpose of the analysis, then the actuary should obtain different data or decline to complete the assignment.
- 3.8 **Documentation**—The actuary should comply with the requirements of ASOP No. 41, *Actuarial Communications*, regarding the preparation and retention of the documentation. In addition, the actuary's documentation should include the following:

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- a. the process the actuary followed to evaluate the data, including the review or consideration of prior data;
- b. a description of any material defects the actuary believes are in the data;
- c. a description of any adjustments or modifications made to the data, other than routine corrections made by reference to source documents, including the rationale for any such adjustments or modifications; and
- d. any other documentation necessary to comply with the disclosure requirements of section 4.1.

Section 4. Communications and Disclosures

4.1 **Disclosure**—When issuing communications under this standard, the actuary should refer to ASOP No. 41. In addition, the actuary should disclose the following items:

- a. the source(s) of the data;
- b. whether the actuary reviewed the data and, if not, any resulting limitations on the use of the actuarial work product;
- c. the extent of the actuary's reliance on data and other information relevant to the use of data supplied by others;
- d. any material judgmental adjustments or assumptions that the actuary applied to the data, or are known by the actuary to have been applied to the data, to allow the actuary to perform the analysis;
- e. any limitations on the use of the actuarial work product due to uncertainty about the quality of the data;
- f. any unresolved concerns the actuary may have about the data that could have a material effect on the actuarial work product;
- g. (1) the existence of results that are highly uncertain or have a potentially material bias of which the actuary is aware due to the quality of the data; and (2) the nature and potential magnitude of such uncertainty or bias, if they can be reasonably determined; and
- h. any conflicts that arose from complying with applicable law, regulation, or other binding authority.

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- 4.2 Prescribed Statement of Actuarial Opinion—This ASOP does not require a prescribed statement of actuarial opinion (PSAO) as described in the *Qualification Standards for Prescribed Statements of Actuarial Opinion* promulgated by the American Academy of Actuaries. However, law, regulation, or accounting requirements may also apply to an actuarial communication prepared under this standard, and as a result, such actuarial communication may be a PSAO.
- 4.3 Deviation from Standard—The actuary must be prepared to justify to the actuarial profession's disciplinary bodies, or to explain to a principal, another actuary, or other intended users of the actuary's work, the use of any procedures that depart materially from those set forth in this standard. If a conflict exists between this standard and applicable law or regulation, compliance with applicable law or regulation is not considered to be a deviation from this standard.

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Appendix 1

Background and Current Practices

Note: The following appendix is provided for informational purposes, but is not part of the standard of practice.

Background

An actuarial analysis is based upon an analysis of data, along with practical knowledge of the field of practice and training in actuarial theory, which together enable the actuary to interpret the results of calculations. Throughout the analytic process, data play an important role. The accuracy and validity of the actuarial analysis are dependent on, among other things, the quality of the data used. Hence, an actuarial standard of practice concerning data quality is appropriate.

Data frequently contain errors, are not fully complete, and are not precisely appropriate for the intended analysis. Actuaries deal with these limitations, the majority of which are non-critical. However, actuaries are often called upon to perform actuarial services in situations where data limitations may be critical. Actuaries use professional judgment when determining whether and how to refine data or make modifications within the analysis.

Current Practices

Actuaries use informed judgment to determine what kinds of data are appropriate for a particular analysis. It is important that the data used are relevant to the system or process being analyzed.

Persons or organizations responsible for generating, collecting, or publishing data may apply different standards of quality assurance, ranging from straightforward compilation of figures to extensive verification. Actuaries, in turn, deal with the question of the quality of data underlying their work products in a variety of ways and with varying levels of review or checking.

Actuaries are called upon to provide analyses for a broad range of uses, from limited distribution within an organization to public exposure.

Important aspects of data utilization include documentation and disclosure of (1) the sources of data; (2) review of data; (3) material biases resulting from data used by the actuary; (4) adjustments or corrections made to the data; and (5) the extent of reliance on data supplied by others. Typically, actuaries do not audit data.

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APPENDIX 2

Comments on the Exposure Draft and Committee Responses

The exposure draft of this revision of ASOP No. 23, *Data Quality*, was issued in October 2003 with a comment deadline of March 31, 2004. Twenty-eight comment letters were received, some of which were submitted on behalf of multiple commentators, such as by firms or committees. For purposes of this appendix, the term “commentator” may refer to more than one person associated with a particular comment letter. The General Committee carefully considered all comments received. Summarized below are the significant issues and questions contained in the comment letters and the committee’s responses. Unless otherwise noted, the section numbers and titles used below refer to those in the exposure draft.

GENERAL COMMENTS	
Several commentators suggested various editorial changes in addition to those addressed specifically below. The committee implemented such suggestions if they enhanced clarity and did not alter the intent of the section.	
In the transmittal memorandum of the exposure draft, the committee asked readers to comment on whether the exposure draft clarified the previous standard. Most commentators believed that the revisions did clarify the standard, and others had suggestions that are addressed in the following responses.	
Comment	One commentator suggested that the standard should address issues concerning how results vary when using data with different time horizons.
Response	The committee believed that issue was more about credibility than data quality and made no change in the standard.
Comment	A commentator believed that the standard should also provide guidance on privacy, confidentiality, and distribution of the actuarial report.
Response	The committee believed such issues were beyond the scope of this standard. ASOP No. 41, <i>Actuarial Communications</i> , provides guidance with respect to actuarial reports.
Comment	One commentator recommended expanding the title of the standard to add “Actuaries’ Responsibilities in Selecting, Reviewing, and Using Data.”
Response	The committee believed that this was unnecessary, because section 1.1, Purpose, identifies the specific professional services discussed in the standard.
Comment	A commentator suggested that, since it is common for actuaries to extract their own data for use in their analyses, the standard should more clearly indicate the actuary’s responsibility to review data that the actuary has independently created.
Response	The committee agreed and revised section 3.5, <i>Review of Data</i> , in response.
Comment	One commentator thought that the actuary should be required to disclose and resolve material differences between prior and current period data.
Response	The committee believed that the actuary should be satisfied that the current data are appropriate and should disclose other concerns related to data quality in accordance with section 4.1(g) (now 4.1(f)). The reconciliation of data from one period to the next is beyond the scope of this standard.

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SECTION 1. PURPOSE, SCOPE, CROSS REFERENCES, AND EFFECTIVE DATE	
Section 1.2, Scope	
Comment	One commentator objected to not requiring the actuary to audit the data, while several others supported the statement in the standard that audits are not required.
Response	The committee believed that the actuary should generally be required to review, but not audit the data, and left this scope limitation unchanged.
Comment	Several commentators recognized that the actuary must comply with law, regulation, or other binding authority, but disagreed that the actuary should disclose such a conflict.
Response	The committee disagreed and retained the disclosure requirement, consistent with other standards. In response to another comment, the committee also added a sentence clarifying that the actuary must comply with both the standard and the law when the standard has more extensive requirements than the law. Finally, the wording of this section was modified to clarify that the standard applied only to professional "actuarial" services.
Section 1.4, Effective Date	
Comment	A commentator pointed out that it is common in some practice areas to use a significant amount of data collected in prior years and then perform the current analysis after the latest data have been added to the database or using relevant current data. The commentator believed that the prior data should be subject only to requirements in effect when the data were originally collected and not be subject to any new requirements in the standard.
Response	The committee discussed this point and made no change to this section, because it believed that other sections of the standard gave sufficient guidance to the actuary regarding the extent to which the actuary should review the data, including consideration of practicality and materiality.
SECTION 2. DEFINITIONS	
Some commentators suggested adding definitions of other terms. In most cases, the committee did not believe that was necessary. However, it did add a definition of "review," as suggested by one commentator, to clarify that a review is less formal than an audit and does not verify the accuracy of data, but merely consists of observing its obvious characteristics and abnormalities.	
Section 2.1, Appropriate (now Appropriate Data)	
Comment	Several commentators suggested adding the word "data" to the title of this section.
Response	The committee agreed and added "data" here and in the title of section 2.3.
Comment	One commentator suggested deleting the phrase "relevant to the system or process being analyzed."
Response	The committee thought the existing language was necessary and sufficiently clear and made no change.
Section 2.2, Audit	
Comment	Some editorial suggestions were made to improve the definition.
Response	The committee adopted some of the suggestions, adding "for the purpose of testing its accuracy" and removing "or review," because that latter term is now defined and differentiated from an audit.
Section 2.3, Comprehensive (now Comprehensive Data)	
Comment	A commentator recommended that "sufficient data elements" be used in this definition in place of "each data element."
Response	The committee agreed that this was more appropriate wording and made the change.
Comment	One commentator suggested adding a discussion of inventory or sampling methods.
Response	The committee did not see the need for such a discussion.

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Section 2.4, Data	
Comment	A commentator pointed out that actuaries often use data contained in reports prepared by other professionals and suggested that such data be covered by this definition.
Response	The committee made no change to this definition, because sections 3.3 and 3.4 address reliance on data and other information supplied by others.
Comment	One commentator suggested expanding the definition to indicate that sometimes assumptions are used to develop certain data elements.
Response	The committee did not believe such an expansion was necessary. The use of assumptions to perform such analyses is referenced in section 3.7(c).
Section 2.6, Practical	
Comment	A number of comments were received on the inclusion of the defined term “practical” in response to the committee’s request in the transmittal letter of the exposure draft. Some commentators thought the definition was unnecessary, and some offered suggestions for further improvement.
Response	Because the concept of practicality is an important consideration in this standard in aiding an actuary to make professional judgments regarding selection of data, and whether and to what extent to review the data, among other things, the committee strongly believed that a definition of this term should be included.
Comment	One commentator pointed out that use of hindsight would be inappropriate in determining what was practical.
Response	The committee agreed and added “during the time of the assignment” to the definition.
Comment	One commentator wanted to add guidance on considerations for evaluating materiality.
Response	The committee believed that materiality is a subjective concept that depends on the actuary’s professional judgment, and that it was beyond the scope of this standard to define or provide guidance on materiality.
SECTION 3. ANALYSIS OF ISSUES AND RECOMMENDED PRACTICES	
Section 3.1, Overview	
Comment	One commentator pointed out that some assignments do, in fact, require perfect data, and that the standard should recognize this.
Response	The committee disagreed that the standard should be written to address specific situations that would require more diligent treatment. Sections 3.2 and 3.5 state that consideration should be given to the purpose and nature of the assignment.
Section 3.2, Selection of Data	
Comment	One commentator wanted to clarify the language relating to “review.”
Response	The committee decided to delete reference to “review” in this section as it is thoroughly covered in section 3.5.

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Comment	One commentator believed that section 3.2(b)(5) should be eliminated or at least restricted to alternate data sources reasonably known to the actuary.
Response	The committee believed this guidance is important and, in view of the comment, carefully considered the wording again and revised the wording to clarify that the actuary is provided adequate leeway to consider the benefits of seeking alternative data sources versus the effort necessary to get them.
Comment	One commentator suggested that the terms “data sets” and “data sources” should be consistent here and in section 3.2(b)(5).
Response	The committee agreed and made changes to accomplish this.
Comment	One commentator believed “subject to the limitations presented by the actuary’s reliance on others...” should be added to clarify how this section relates to sections 3.3 and 3.4.
Response	The committee believed that the guidance for selection of data should not depend on whether or not the actuary needs to rely on others to supply the data and did not believe such an addition was necessary or appropriate.
Comment	One commentator suggested deleting “relative availability” and adding “time and” in front of the word “cost” in section 3.2(b)(5).
Response	The committee did drop “relative” and did add “time and.”
Section 3.3, Reliance on Data Supplied by Others	
Comment	One commentator supported the concept of what was labeled “blind reliance.” A couple of commentators were uncertain as to whether the implication of such reliance was appropriate and consistent with sections 3.1 or 3.5. Several others commented that such reliance was inappropriate.
Response	After much discussion and careful consideration, the committee ultimately agreed that additional clarity was needed. Accordingly, the committee added the phrase “subject to the guidance in section 3.5,” and that section provides that the actuary should review the data for reasonableness and consistency unless, in the actuary’s professional judgment, it is not practical or not necessary to do so.
Section 3.4, Reliance on Other Information Relevant to the Use of Data	
Comment	Two commentators were uncomfortable with the implication of absolute reliance in this section, believing that it could conflict with the guidance in other sections of the ASOP by setting a different standard.
Response	The committee believed a lower standard was appropriate but agreed that the actuary should not proceed with the analysis based on information that is known by the actuary to be suspect. Accordingly, the committee added the phrase “unless it is or becomes apparent to the actuary during the time of the assignment that the information contains material errors or is otherwise unreliable.”
Comment	Two commentators thought that “or summaries of such documents” should be specifically added to the list.
Response	Because the list provides examples only, the committee believed that this added language was not needed.
Section 3.5, Review of Data	
Comment	Several commentators questioned the meaning of the word “appropriate.”
Response	The committee deleted the word “appropriate” where it might be confusing.
Comment	Several commentators questioned whether it was always necessary to review prior data and suggested adding the word “consider” in section 3.5(a) regarding review of prior data.
Response	The committee agreed and incorporated this wording change in what is now section 3.5(c).

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Comment	One commentator believed that a new section on the time period of the data should be added.
Response	The committee believed this was sufficiently covered in section 3.2(b)(1).
Comment	Two commentators were unclear if this section applied to data received from others.
Response	The committee clarified that it does apply and that the actuary should review for reasonableness and consistency “unless, in the actuary’s professional judgment, such review is not necessary or not practical.”
Comment	One commentator suggested adding a new consideration: “Data Definitions—The actuary should make a reasonable effort to determine the definition of each data element provided.”
Response	The committee agreed and added what is now section 3.5(a).
Comment	One commentator interpreted section 3.5(b) as requiring a datum-by-datum review and a datum-by-datum correction process, thereby precluding any type of sampling procedure.
Response	The committee disagreed with this interpretation. Section 3.2 specifically allows for sampling procedures. Based on the definition of “review,” the committee believed guidance for the actuary to look for obvious errors or inconsistencies that may materially affect the analysis was appropriate.
Section 3.6, Limitation of the Actuary’s Responsibility	
Comment	Several commentators responded to a question requesting comments about whether it was appropriate to delete the following language from section 5.3(a) of the previous ASOP No. 23: “The actuary is not required to develop additional data compilations solely for the purpose of searching for questionable or inconsistent data.” While a couple of commentators believed the deletion was appropriate, most believed that the language should be put back into the revision.
Response	The committee agreed with the majority and reinserted what is now section 3.6(b).
Comment	Several comments suggested eliminating the word “intentionally” inaccurate.
Response	The committee disagreed and left this wording, because just removing the word “intentionally” would weaken the standard by implying that the actuary is relieved of any responsibility for inaccurate data, whether intentional or not. However, after lengthy discussions the committee revised the section by amending the wording of what is now section 3.6(a), in addition to reinserting section 3.6(b).
Section 3.7, Use of Data	
Comment	One commentator suggested clarifying section (d) to apply when material defects are likely, not just possibilities.
Response	The committee agreed and added the words “are likely to” to this subsection.
Comment	One commentator suggested changing the word “should” to “must,” eliminating the words “when practical,” and specifying that this disclosure should be in the summary level presentation of the results.
Response	The committee disagreed and left the wording as is.
Comment	Two commentators suggested changing the wording in the opening paragraph to clarify that data are rarely completely accurate, appropriate, and comprehensive.
Response	The committee agreed and changed the wording in the opening paragraph.

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Comment	One commentator suggested that section 3.7 could be viewed to be in conflict with section 4.1, Disclosure.
Response	The committee disagreed that there would be a conflict. If the actuary believes there is a material defect in the data, the actuary can still perform the assignment and make the disclosures in section 4.1.
Comment	One commentator suggested removing the words “if practical” from section (d).
Response	The committee disagreed and left this wording.
Comment	One commentator suggested defining a process for what to do if material defects have been found or are known to exist in the data.
Response	The committee prepared this section to provide guidance to the actuary in discriminating between different types of situations. The committee believed that sections (d) and (e) provided adequate guidance in this respect.
Comment	One commentator suggested removing the first sentence of this section since all items in this section are based on the premise that the actuary is aware of data deficiencies.
Response	The committee revised the first paragraph of section 3.7 to clarify that the actuary should decide which of the circumstances in sections (a)–(e) apply, even if the actuary is not necessarily aware of material defects in the data.
Comment	One commentator suggested removing the first sentence from section (d).
Response	The committee disagreed and left the first sentence.
Comment	One commentator suggested that this section provides only two alternatives for inadequate data.
Response	The committee disagrees and refers the commentator to the four alternatives contained in sections (b)–(e). The committee also added a consideration in section (c) to address results that may be highly uncertain.
Section 3.8, Documentation	
Comment	One commentator suggested adding a section requiring a description of any material defects the actuary believes are in the data and the review conducted by the actuary on this data.
Response	The committee agreed in respect of material defects and added appropriate wording to section 3.8(b).
Comment	Two commentators suggested eliminating the first sentence since it was confusing.
Response	The committee agreed with this commentator and eliminated the first sentence of this section.
Comment	One commentator suggested changing the wording of section (b) by replacing it with “whether the actuary reviewed the data as contemplated by section 3.5 and, if so, the scope of the review.”
Response	The committee agreed that additional clarity was needed and revised the entire section 3.8.
Comment	One commentator suggested changing the wording of section (c) by inserting the words “if reasonably estimable, the” before “effect.”
Response	The committee agreed that this language could be too burdensome and revised the language in section (c).

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Comment	One commentator suggested adding words to this section similar to those in the disclosure section pertaining to a description of the insufficiencies or issues with the data that may have an impact on the results.
Response	The committee revised section 3.8, adding sections (b) and (d) to deal with this issue.
Comment	One commentator suggested that this section is not needed as long as the disclosure section exists.
Response	The committee believed there is a need for this section, because this section applies to the work papers of the actuary and not the disclosure that goes along with a work product. In addition, some items that should be documented need not be disclosed.
Comment	Numerous commentators suggested changes to section (b).
Response	The committee agreed with these commentators and reworded section (b) with consequential changes to section (a).
SECTION 4. COMMUNICATIONS AND DISCLOSURES	
Section 4.1, Disclosure	
Comment	One commentator suggested that the standard does not appear to require disclosure of the actuary's unresolved concerns, particularly in the case of an actuarial opinion, regarding data that could have a material effect on the actuarial work product.
Response	Section (g) (now (f)) requires the actuary to disclose any unresolved concerns the actuary may have about the data. That disclosure is required in an appropriate actuarial communication, regardless of whether it is an actuarial opinion.
Comment	One commentator suggested adding the words "to the principal" after "following items" to clarify to whom the disclosure is to be made and also wanted to add the words "if other than the principal" to item (a).
Response	The committee did not concur with this commentator.
Comment	Several commentators believed that section (b) was unclear or unnecessary.
Response	The committee deleted section (b).
Comment	One commentator suggested changing the wording in section (c) (now (b)) to reflect the fact that the standard seems to mandate that actuaries almost always review data. Another commentator believed that section (c) (now (b)) should read, "the extent of the actuary's review of the data" rather than "whether the actuary reviewed the data."
Response	The committee very carefully considered this issue and revised what is now section (b) to require, where no review was performed, disclosure of any resulting limitations on the use of the actuarial work product.
Comment	Two commentators suggested adding "material" before "judgmental adjustments" in section (e) (now section (d)).
Response	The committee agreed and made this change.

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Comment	One commentator believed that section (f) (now (e)) would be clearer if it ended after the phrase “work product.”
Response	The committee revised the language to omit reference to “not sufficiently reviewed,” thereby including situations where the actuary did not review the data as well as situations where the actuary did review the data but is uncertain about the data.
Comment	One commentator believed that section (g) (now (f)) was unnecessary because it was covered by section (h) (now (g)). The commentator believed it was burdensome for the actuary to disclose concerns that would not have a material effect.
Response	The committee disagreed and believed that both sections are needed to fully describe required disclosure because they cover different situations. However, the committee did agree that only “unresolved concerns the actuary may have about the data that could have a material effect...” are required to be disclosed, and the wording of these two sections incorporates the word “material” to support this.
Comment	One commentator believed that section (g) (now (f)) could conflict with section 3.7, which does not contain an option for producing a work product with adequate disclosure if there is a material effect in the data.
Response	The committee did not believe there was a conflict, but revised section 3.7(c) to clarify that the actuary may produce a work product even if the data (after judgmental adjustments or assumptions have been applied) may produce results that “are highly uncertain or contain a material bias” as long as this is disclosed.
APPENDIX (now Appendix 1)	
Current Practices	
Comment	One commentator suggested inserting the words “important aspects of data utilization include such” in the last paragraph of this section as well as deleting the words “of such items” after the word “disclosure” in this same section. The commentator also suggested deleting the word “the” after “reliance on” and deleting the words “are important aspects of utilization of data” in the last paragraph of this section.
Response	The committee agreed with the general thrust of these comments and made appropriate changes.
Comment	One commentator suggested removing the words “complete and independent verification of the data” in the second paragraph of this section. The commentator went on to suggest that actuaries deal with the quality of data in a variety of ways and “with varying levels of review or checking.”
Response	The committee agreed with this commentator and changed the wording as suggested.



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 25**

**Credibility Procedures Applicable to Accident and Health,
Group Term Life, and Property/Casualty Coverages**

**Developed by the
Casualty and Health Committees of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
October 1996**

(Doc. No. 051)

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November 1996

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Credibility Procedures

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice No. 25

This booklet contains the final version of Actuarial Standard of Practice (ASOP) No. 25, *Credibility Procedures Applicable to Accident and Health, Group Term Life, and Property/Casualty Coverages*.

Background

Credibility procedures are an integral part of ratemaking and prospective experience rating, and may be used for other purposes. The purpose of this ASOP is to provide guidance to actuaries in the assignment of credibility values to data.

The Subcommittee on Ratemaking of the Casualty Committee of the ASB named three members as a task force to prepare an initial draft of a proposed standard on credibility procedures. A task force of the Health Committee of the ASB was also starting to draft a proposed actuarial standard of practice on credibility procedures, this one for accident and health (A&H) coverages. The ASB decided that a single standard of practice on credibility, which would apply to both casualty and A&H coverages, would be preferable, if it were possible to develop such a text.

The initial casualty draft of this proposed standard was shared with the health task force, which then collaborated with the casualty task force to extend the draft to encompass A&H coverages. In the process, the draft was also expanded to apply to group term life and to address applications of credibility to subjects other than ratemaking. This revised draft was reviewed by the full Casualty Committee and the full Health Committee, and some changes were indicated. The two task forces addressed the committee members' comments and made revisions to the document, which was then sent again to the full operating committees for approval to submit it to the ASB for exposure. The board approved the exposure draft at its April 1994 meeting.

Adoption

The proposed standard was exposed to the profession in April 1994, with a comment deadline of August 31, 1994. A total of thirty-three comment letters were received. The comment letters were reviewed by representatives of the Casualty and Health Committees (a newly formed task force) and the text was revised in response to these comment letters. Summaries of substantive issues from the comment letters, and the drafting task force's responses to such issues, are summarized in appendix 2.

Format Changes

A number of format changes have also been made since publication of the exposure draft. The ASB voted in May 1996 to change the format of all future actuarial standards of practice. Thus, sections 3 and 4 of the exposure draft now form an appendix titled, Background and Current Practices. (Appendix 1 of this standard contains sections 3 and 4 of the exposure draft.) Further, sections 5 and 6 of the exposure draft have now been renumbered as sections 3 and 4. The new sections 3 and 4, along with sections 1 and 2, now form the actual standard of practice. The heading *Preamble*, which used to apply to the first four sections of the standard, has been deleted. The board made these format changes to help the reader distinguish between a standard's substantive requirements and language intended for general information.

The ASB voted in October 1996 to adopt the final standard.

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ACTUARIAL STANDARD OF PRACTICE NO. 25

CREDIBILITY PROCEDURES APPLICABLE TO ACCIDENT AND HEALTH, GROUP TERM LIFE, AND PROPERTY/CASUALTY COVERAGES

STANDARD OF PRACTICE

Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—The purpose of this standard of practice is to provide guidance to actuaries in the selection of a credibility procedure and the assignment of credibility values to sets of data including subject experience and related experience.
- 1.2 Scope—This standard of practice is applicable to accident and health; group term life; property/casualty coverage; and other forms of non-life coverage. This standard also applies to other financial security systems, such as self-insurance, that provide similar coverages. This standard is applicable to ratemaking, prospective experience rating, and whenever else credibility procedures are used, including but not limited to reserve analysis, solvency testing, and asset/liability management. This standard does not apply to annuities and pension plans.
- 1.3 Effective Date—This standard will be effective with respect to work performed after March 1, 1997.

Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Credibility—A measure of the predictive value in a given application that the actuary attaches to a particular body of data (*predictive* is used here in the statistical sense and not in the sense of predicting the future).
- 2.2 Full Credibility—The level at which the subject experience is assigned full predictive value based on a selected confidence interval.
- 2.3 Ratemaking—The process of determining estimates of the expected value of future costs per unit of exposure for a group of risks.
- 2.4 Related Experience—Premiums, losses, exposures, expenses, and other relevant data for coverage analogous to the coverage under consideration. Other data may include

established rate levels or differentials. Such data might also be external to the client or the insurance industry, such as information on trends in claim costs or patterns of claim frequencies.

- 2.5 Subject Experience—Premiums, losses, exposures, expenses, and other data relevant to the coverage under consideration.

Section 3. Analysis of Issues and Recommended Practices

- 3.1 Purpose and Use of Credibility Procedures—The purpose of credibility procedures is to blend information from subject experience with information from one or more sets of related experience when the subject experience does not have full credibility in order to improve the estimate of expected values, or to determine when the subject experience should have full credibility and blending is unnecessary. Credibility procedures should be used in ratemaking and prospective experience rating and may be used for other purposes. When such procedures are used, this standard applies.

- 3.2 Selection of Credibility Procedures—The actuary should be familiar with and consider various methods of determining credibility. The models selected may be different for different applications. The selection process involves testing the tentatively selected model and possibly revising the model. The actuary should recognize those instances where it may not be cost-effective to perform this selection process. Additional calculations may be made to satisfy applicable regulations and statutes.

The actuary should select credibility procedures that do the following:

- a. produce results that are reasonable in the professional judgment of the actuary,
- b. do not tend to bias the results in any material way,
- c. are practical to implement, and
- d. give consideration to the need to balance responsiveness and stability.

- 3.3 Choice of Related Experience—The actuary should use care in selecting the related experience that is to be blended with the subject experience. Such related experience should have frequency, severity, or other determinable characteristics that may reasonably be expected to be similar to the subject experience. If the proposed related experience does not or cannot be adjusted to meet such criteria, it should not be used. The actuary should apply credibility procedures that appropriately reflect the characteristics of both the subject experience and the related experience.

- 3.4 Informed Actuarial Judgment—Any credibility procedure requires the actuary to exercise informed judgment, using relevant information. The use of credibility procedures is not always a precise mathematical process.

- 3.5 Homogeneity of Data—In carrying out credibility procedures, the actuary should consider the homogeneity of both the subject experience and the related experience. Within each set of experience, there may be segments that are not representative of the experience set as a whole. Credibility can sometimes be enhanced by separate treatment of these segments.

Section 4. Communications and Disclosures

- 4.1 Disclosure—Whenever appropriate in the actuary's professional judgment, the actuary should disclose the credibility procedures used. Any material changes from prior credibility procedures should be disclosed and supported.
- 4.2 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

Appendix 1

Background and Current Practices

Note: This appendix is provided for informational purposes, but is not part of the standard of practice.

Background

Classical Credibility Procedures—Classical credibility procedures make assumptions as to the form of the underlying probability distribution. From this probability distribution function, the appropriate number of claims, amount of premium, or other measure of volume is calculated such that the probability that the subject loss experience is within a specified percentage (k) of the expected value is equal to a specified parameter (P). This measure of volume is the full credibility standard.

Empirical Credibility Procedures—Empirical credibility procedures measure the statistical relationships of the subject experience to its mean and to comparable experience of prior experience periods, without reference to the underlying distribution.

Bayesian Credibility Procedures—Bayesian analysis procedures merge prior distributions representing the statistical information of the related experience with the statistical information of the subject experience to produce posterior distributions that reflect both. Bayesian credibility procedures provide a least squares approximation to the mean of the a posteriori distribution that would result from a Bayesian analysis.

Historical Development—The concept of credibility has been a fundamental part of actuarial practice since the beginning of the profession. Applications of credibility procedures have recognized the traditional concerns regarding the proper balance between responsiveness and stability. Early discussions of credibility tended to focus on estimating mean claim frequency using classical and empirical credibility procedures. The earliest recorded paper on this subject, “How Extensive a Payroll Exposure Is Necessary to Give a Dependable Pure Premium,” was published by Albert H. Mowbray in Volume I of the *Proceedings of the Casualty Actuarial and Statistical Society* (published by the Casualty Actuarial Society in 1914). Later writers have developed formulas for the credibility of claim severity and for the credibility of total losses including Bayesian credibility procedures. Credibility concepts have also been used in other actuarial work.

Current Practices

Historical Bases—The most commonly used bases for determining credibility are numbers or amounts of claims, losses, premiums, and exposures.

Credibility Procedures for Ratemaking—The sample size required for full credibility may be based on the variance of an assumed underlying probability distribution. If using an assumed frequency distribution, the actuary usually adjusts the required sample size to recognize variation in claim size or other factors.

Credibility Procedures for Prospective Experience Rating—Prospective experience rating formulas assign credibility to actual experience of a single risk or a group of risks (the subject experience). In some instances, the subject experience may be subdivided into different components, for example, primary and excess losses, with different credibility levels appropriate for each piece.

Partial Credibility—Partial credibility is used in a weighting process to combine the subject experience with relevant related experience when the subject experience is determined to be not fully credible. Several common practices are used to determine partial credibility. A common practice is to use a selected fractional exponent of the ratio of the volume of subject experience—such as claims, expected losses, premiums, or exposures—to the full credibility standard. Another common practice is to use a ratio $N/(N + K)$, where N is the volume of subject experience and K is a constant that may be derived from variances in the subject and related experience. The $N/(N + K)$ formula is sometimes modified for those applications where the possibility of attaining full credibility is desired.

Appendix 2

Comments on the Exposure Draft and Committee Responses

The proposed standard of practice was exposed for review in April 1994. Thirty-three comment letters were received. A task force of representatives from the Casualty and Health Committees reviewed these comments and reached the following conclusions. Summaries of substantive issues raised in the comment letters are in lightface, and task force responses are in **boldface**.

Section 1. Purpose, Scope, and Effective Date

Section 1.2, Scope—Concerns were expressed that the scope was too restrictive and should be expanded to all actuarial practice that relies on experience data. **Although the scope was modified slightly, the substance of the text was not changed since it was found to be adequately inclusive. In response to other concerns, the text was streamlined.**

Section 2. Definitions

Section 2.1, Credibility—It was suggested that *credibility* should be defined such that it is relative to another body of data. **In order to avoid eliminating the use of classical credibility, the text was changed to include these ideas, but to still permit the use of classical credibility.**

Section 2.2, Experience Period—**Since this definition is not used within the standard, the task force decided to remove it from the definitions section.**

Section 2.3, Full Credibility (now section 2.2)—Concerns were expressed that no data will have sufficient volume to have full credibility. **The text was changed to clarify that full credibility is based on a selected confidence interval.**

Section 2.4, Manual Ratemaking (now section 2.3 and titled Ratemaking)—Concerns were expressed that sections 2.4 and 2.6 were inconsistent. Also, the reference to “subject experience” was considered unnecessary. **The term defined was changed from *manual ratemaking* to *ratemaking*. The reference to “subject experience” was removed, and the definition in section 2.6 (*rate*) was incorporated into the definition of *ratemaking* (see section 2.3 of this text).**

Section 2.5, Process Variance—As noted by several individuals, this term is not used in the standard. **The term was deleted. The remaining sections were renumbered.**

Section 2.6, Rate—**Since this term is not used in the standard, it was deleted. The remaining sections were renumbered.**

Section 2.7, Related Experience (now section 2.4)—Concerns were expressed about the type of data that could be used as related experience and whether the phrase *with predictive value* was necessary. **To help clarify the data question, the term *relevant* was added before *data* in the first sentence of the definition. The phrase *with predictive value* was deleted.**

Section 3. Background and Historical Issues (now in Appendix 1 under Background)

Section 3.1, Background—It was suggested that a section describing the goal of the use of credibility procedures be included. **This section was merged with the old section 3.5 into a new section, Historical Development, which can be found in appendix 1. The purpose of credibility procedures is discussed in the new section 3.1.**

Section 3.2, Classical Credibility Procedures (this section can now be found in appendix 1)—Suggestions were received recommending that the probability distribution should be identified as underlying the subject experience. Suggestions were also received that the method of determining the full credibility standard should be more precisely described. **The task force changed the text in response to these comments.**

Section 3.3, Bayesian Credibility Procedures (this section can now be found in appendix 1)—It was suggested that the terms *Bayesian* and *classical* are out-of-date and should be replaced with *least squares* and *limited fluctuation*. **The terms *Bayesian* and *classical* are more widely understood, particularly in a historical context.**

It was also suggested that the description of Bayesian credibility was actually a description of Bayesian analysis, and that Bayesian credibility procedures produce a least squares approximation to the results of a Bayesian analysis. **The task force changed the text in response to this comment.**

Section 3.4, Empirical Credibility Procedures (this section can now be found in appendix 1)—Suggestions were received questioning the need for a discussion of empirical credibility. **The discussion of empirical credibility distinguishes *distribution free* methods from nontraditional Bayesian credibility procedures that require assumptions about the underlying distribution.**

Section 3.5, Historical Development (this section can now be found in appendix 1)—Some felt that this section was biased in favor of Bayesian credibility procedures. **The section has been revised to eliminate any real or apparent bias.**

Section 4. Current Practices and Alternatives (now in Appendix 1 under Current Practices)

Section 4.1, Historical Bases (this section can now be found in appendix 1)—Concerns were expressed that the text implied that other bases are not acceptable. **The text was revised to enumerate the most common bases and to omit any comment about other bases.**

Section 4.2, Credibility Procedures for Manual Ratemaking (this section can now be found in appendix 1 under the heading, Credibility Procedures for Ratemaking)—Concerns were expressed about the paragraph referring to the variance of a cumulative loss distribution. **This paragraph was deleted. The first paragraph was revised to eliminate the differentiation between frequency and cumulative losses. The term *manual* was removed from the section title.**

Section 4.3, Credibility Procedures for Experience Rating (this section can now be found in appendix 1 under the heading, Credibility Procedures for Prospective Experience Rating)—As noted by several individuals, greater homogeneity of the related experience used in experience rating does not imply smaller required sample sizes. **The sentence referring to this matter was deleted. The term *prospective* was added to the section title.**

Section 4.4, Partial Credibility (this section can now be found in appendix 1)—Concerns were expressed regarding the term *credibility measure*. **The text was revised to use the phrase *volume of subject experience*.**

It was also suggested that generalizations of $N/(N + K)$ be mentioned and that it be specified that other practices may also be acceptable. **The text was revised to clarify that several practices are common.**

Section 4.5, Data Homogeneity—Numerous concerns were expressed that this section was potentially misleading and unnecessary. **The section was deleted.**

Section 5. Analysis of Issues and Recommended Practices (now Section 3)

Section 5.1, Estimating Future Costs (now section 3.1)—The consensus of comments received was that section 5.1 should be deleted and replaced with section 5.3, and that the language relating to *costs* and the references to the lines of business should be clarified. **Section 5.1 is now section 3.1, Purpose and Use of Credibility Procedures, and the old section 5.3 was merged with the former section 5.1. References to costs and lines of business were dropped.**

Section 5.2, Selection of Credibility Procedures (now section 3.2)—Several comments referred to Bayesian credibility and the absence of other methods. Other comments expressed concern that certain words might make compliance very difficult. The words *distort* and *any known* in section 5.2(b) were of particular concern. Other language changes were also suggested. **In addition to making several wording changes, the task force deleted the reference to Bayesian credibility. In addition, section 5.2(b) (now section 3.2(b)) has been revised to be consistent with the suggestions.**

Section 5.3, Credibility Procedures Should Reflect Experience Characteristics—**This section has been deleted and the remaining sections renumbered.**

Section 5.4, Choice of Related Experience (now section 3.3)—**The last sentence of the old section 5.3 was added to the new section 3.3.**

Section 5.5, Informed Actuarial Judgement (now section 3.4)—The suggestions indicated that the first sentence was not clear, especially the phrase beginning with *on past insurance*. **That portion of the first sentence was deleted, and the type of information required was clarified to be *relevant information*.**

Section 5.6, Homogeneity of Data (now section 3.5)—There were several suggestions on how to improve the readability of the first sentence as well as other minor language suggestions for the remainder of the section. In addition, one individual suggested that the last sentence of this section confused credibility with classification ratemaking. **The section has been rewritten, incorporating several suggestions. The last sentence was deleted.**

Section 6. Communications and Disclosures (now Section 4)

Section 6.1, Other Relevant Standards of Practice—**This section was deleted.**

Section 6.2, Credibility Selection—Several comments expressed concern that there is no single “degree of credibility” suggested by subject data. **This section was deleted.**

Section 6.3, Disclosure (now section 4.1)—Concerns were expressed that this section requires disclosure beyond the requirements of Actuarial Standard of Practice (ASOP) No. 9. **The task force does not believe that this section creates a disclosure requirement that exceeds that of ASOP No. 9.**

Both the Casualty and Health Committees thank everyone who took the time and made the effort to write comment letters. All of the letters were helpful in developing the final standard.



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 29**

**Expense Provisions in
Property/Casualty Insurance Ratemaking**

**Developed by the
Subcommittee on Ratemaking of the
Casualty Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
July 1997**

(Doc. No. 056)

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August 1997

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Expense Provisions in Property/Casualty Insurance Ratemaking

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice No. 29

This booklet contains the final version of actuarial standard of practice (ASOP) No. 29, *Expense Provisions in Property/Casualty Insurance Ratemaking*.

Background

This standard was developed by the Subcommittee on Ratemaking of the ASB's Casualty Committee. The Casualty Actuarial Society's *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* identifies and describes principles applicable to the determination and review of property/casualty insurance rates. These principles are limited to that portion of the ratemaking process involving the estimation of costs associated with the transfer of risk. For most lines of business, the expense component is a significant portion of the rate. For some lines of business, the expense component can actually exceed the loss component. For this reason, it is necessary to have a standard of practice to provide guidance to actuaries in the determination of a proper expense component.

Exposure Draft

This standard was exposed for review in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received. The Subcommittee on Ratemaking reviewed all the comments carefully, and many of the suggestions were incorporated into the final standard. In particular, the subcommittee expanded the discussions concerning (1) residual market and statutory assessment provisions, (2) the provision for reinsurance, and (3) policyholder dividends. (For a detailed discussion of the issues raised in the comment letters, and the subcommittee's responses to such, please see appendix 2.)

Format Changes

A number of format changes have also been made since publication of the exposure draft. The ASB voted in May 1996 to change the format of all future actuarial standards of practice. Thus, sections 3 and 4 now form an appendix titled, Background and Current Practices. (Appendix 1 of this standard contains sections 3 and 4 of the exposure draft.) Further, sections 5 and 6 of the exposure draft have now been renumbered as sections 3 and 4. The "new" sections 3 and 4,

along with sections 1 and 2, now form the actual standard of practice. The heading *Preamble*, which used to apply to the first four sections of the standard, has been deleted. The board made these format changes to help the reader distinguish between a standard's substantive requirements and language intended for general information.

The Subcommittee on Ratemaking and the Casualty Committee thank everyone who provided input during the exposure process. The comments were helpful in making revisions. The Casualty Committee also thanks the following former subcommittee members, who made significant contributions to this work: Daniel J. Flaherty, Gary Grant, and Robert Lindquist. The ASB voted in July 1997 to adopt the final standard.

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Casualty Committee of the ASB

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ACTUARIAL STANDARD OF PRACTICE NO. 29

EXPENSE PROVISIONS IN PROPERTY/CASUALTY INSURANCE RATEMAKING

STANDARD OF PRACTICE

Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—The purpose of this standard of practice is to provide guidance to actuaries in estimating costs for property/casualty insurance ratemaking other than (1) incurred losses, (2) the provision for profit and contingencies, (3) investment expenses, and (4) federal and foreign income taxes.
- 1.2 Scope—This standard of practice applies to all property/casualty insurance coverages. This standard also applies to property/casualty risk financing systems, such as self-insurance, that provide similar coverages. References in the standard to *risk transfer* should be interpreted to include risk financing systems that provide for risk retention in lieu of risk transfer.
- 1.3 Effective Date—This standard will be effective with respect to work performed after December 1, 1997.

Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Commission and Brokerage Fees—Compensation to agents and brokers.
- 2.2 Expense Limitations—Legislative or regulatory rules that disallow or limit certain categories of expenses in determining rates.
- 2.3 General Administrative Expenses—All operational and administrative expenses (other than investment expenses) not specifically defined elsewhere in this section.
- 2.4 Loss Adjustment Expenses (LAE)—All expenses incurred in investigating and settling claims.
- 2.5 Other Acquisition Expenses—All costs, other than commission and brokerage fees, associated with the acquisition of business.
- 2.6 Policyholder Dividends—Nonguaranteed returns of premium or distributions of surplus.

- 2.7 Premium-Related Expenses—Those expenses that vary in direct proportion to premium, e.g., premium taxes. These expenses are sometimes referred to as *variable expenses*.
- 2.8 Rate—An estimate of the expected value of future costs.
- 2.9 Residual Market Provision—A provision for the entity's costs that represents its share of residual market profits or losses.
- 2.10 Statutory Assessment Provision—A provision for the entity's costs stemming from any mandated assessment.
- 2.11 Taxes, Licenses, and Fees—All taxes and miscellaneous fees except federal and foreign income taxes.

Section 3. Analysis of Issues and Recommended Practices

- 3.1 Categorizing Expenses—The actuary should be familiar with the pertinent requirements for defining expenses, such as those prescribed in the *Instructions for Uniform Classification of Expenses*, published by the National Association of Insurance Commissioners (NAIC), or Regulation 30 of the New York State Insurance Department. The actuary should also be familiar with the entity's own methods of classifying and assigning expenses.
- 3.2 Determining Expense Provisions—The actuary should determine the provisions for loss adjustment expenses; commission and brokerage fees; other acquisition expenses; general administrative expenses; and taxes, licenses, and fees that are appropriate for the policies to be written or coverages provided during the time the rates are expected to be in effect. In addition, where appropriate, the actuary should consider subdividing the expense categories. Expense provisions should reflect the conditions expected during the time these policies or coverages are expected to be in effect and should include all expenses expected to be incurred in connection with the transfer of risk.

For expenses other than premium-related expenses, the actuary should consider estimating these expenses on a basis that is not directly proportional to premium, such as per policy, per coverage, a percentage of claim losses, or per unit of exposure. Studies or actuarial judgment may support such estimates.

- 3.3 Start-Up Costs—The actuary may amortize start-up or development costs using an appropriate amortization period.
- 3.4 Expense Trending—In determining the future expense components of the rate, the actuary should be guided by Actuarial Standard of Practice (ASOP) No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*.

- 3.5 Policyholder Dividends—The *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* of the Casualty Actuarial Society (CAS) classifies policyholder dividends as an expense to operations. When the actuary determines that policyholder dividends are a reasonably expected expense and are associated with the risk transfer, the actuary may include a provision in the rate for the expected amount of policyholder dividends. In making this determination, the actuary should consider the following: the company's dividend payment history, its current dividend policy or practice, whether dividends are related to loss experience, the capitalization of the company, and other considerations affecting the payment of dividends.
- 3.6 Residual Market and Statutory Assessment Provisions—The actuary should include a provision in the rate for any residual market costs or statutory assessments expected to occur during the period of time the rates are expected to be in effect. If these costs are assessed retrospectively, it may be appropriate to include a provision to recover these costs to the extent they were not included in previous rates.
- 3.7 Provision for Reinsurance—The actuary may elect whether to include the cost of reinsurance as an expense provision. If a provision for reinsurance is included, the actuary should consider the amount to be paid to the reinsurer; ceding commissions or allowances; expected reinsurance recoveries; and other relevant information specifically relating to cost, such as a retrospective profit-sharing agreement and reinstatement premiums between the reinsured and the reinsurer.

Section 4. Communications and Disclosures

- 4.1 Conflict with Law or Regulation—The rate filed with a regulator may differ from an actuarially determined rate because of expense limitations. If a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer.
- 4.2 Documentation—The actuary should be guided by the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*.
- 4.3 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

Appendix 1

Background and Current Practices

Note: This appendix is provided for informational purposes, but is not part of the standard of practice.

Background

Inflation—Prior to the relatively high inflation of the 1970s, a predominant ratemaking technique involved including expenses, other than loss adjustment expenses, as a percentage of premium. In doing so, it was assumed that the expense portion of the rate was subject to the same trend (usually very low) to which the loss and loss adjustment expense portions were subjected. However, higher levels of inflation had a rather significant impact on the expected change in the various components of the rate. By the 1970s, the assumption that the trend in expenses would approximate the trend in losses was being questioned. Although the actuarially determined loss trend may have been applied to the loss and loss adjustment expenses as usual, a separate analysis and trend may have been necessary to properly reflect the anticipated change in certain other expenses.

Expense Flattening—Expense flattening techniques assign expenses to policies or other units of exposure rather than in proportion to premium or losses. Thus, expense flattening is a procedure sometimes used to determine that portion of the rate that does not vary in direct proportion to premium or losses.

Expense Trending—Expense trending reflects how changes over time affect expenses. Over the years, separate trending of expenses has become a more common ratemaking technique. However, including expenses as a proportion of premium is still used.

Actuarial Literature—Although the property/casualty actuarial literature is relatively sparse on the topic of expense provisions in ratemaking, techniques for separately trending losses and expenses and alternatives to premium-related expense provisions have been included in such literature. Also included are discussions about the inappropriateness, in some cases, of assuming proportional expenses for administrative ease when, in fact, some expense categories do not vary in direct proportion to premium.

Regulation—Beginning in the late 1970s, some regulators have applied expense limitations in either limiting or disallowing certain expenses and in requiring expense flattening.

Current Practices

Categories—Expenses other than investment expenses are generally divided into five broad categories to determine the expense component of the rate. These expenses are (1) loss adjustment expenses, (2) commission and brokerage fees, (3) other acquisition expenses, (4) general administrative expenses, and (5) taxes, licenses, and fees. Studies may be conducted to determine which expenses vary in direct proportion to premium, losses, number of policies, or other units of exposure, and which expenses may be independent.

Loss Adjustment Expenses—Loss adjustment expenses are generally of two types: allocated and unallocated. Allocated loss adjustment expenses (ALAE) are sometimes combined with and, thus, treated the same as, incurred losses (IL). ALAE are combined with unallocated loss adjustment expenses (ULAE) for some lines of business. ULAE may be expressed as a function of IL plus ALAE, but may also be expressed as a function of premium. For lines of business in which all loss adjustment expenses are combined, the loss adjustment expenses are generally expressed as a function of either IL or premium.

Commissions and Premium Taxes—Commissions and premium taxes are typically paid as a percentage of direct written premium. Such expenses are generally treated as premium-related expenses.

General Administrative Expenses and Other Acquisition Expenses—General administrative expenses and other acquisition expenses may be expressed as a function of premium; or may be partially related to premium, partially related to the number of policies, and partially related to the number of exposures.

Current Information—Historical expenses are generally analyzed in light of current relevant information to determine whether they will be representative of future costs.

Budgeted versus Historical Expenses—Because of the prospective nature of ratemaking, certain expenses, such as commissions, are generally based on budgets rather than determined from historical data.

Expense Trending—Historical expenses may be adjusted to reflect changes over time.

Residual Market and Statutory Assessment Provisions—Residual market costs and statutory assessments are often included as expenses. For those classes of business written in the voluntary market that caused the insurer to receive a share of the residual market, the residual market provision may be separately identified or embedded in the rate.

Appendix 2

Comments on the Exposure Draft and Subcommittee Responses

The proposed standard of practice was approved for release as an exposure draft in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received and reviewed by the Subcommittee on Ratemaking of the ASB's Casualty Committee. Summarized below are the substantive issues raised and questions contained in the comment letters, printed in lightface. The subcommittee's responses to those issues appear in **boldface**.

Note also that, as mentioned in the transmittal memorandum to this standard of practice (see page vi), the ASB adopted on May 1, 1996, a new format for all actuarial standards of practice. Thus, the section numbers below refer to section numbers in the exposure draft, unless otherwise noted (some section numbers have remained the same).

Section 1. Purpose, Scope, and Effective Date

Section 1.1, Purpose—Several comments were received asking for clarification of the issues covered by the standard. **The subcommittee added the phrase *for property/casualty insurance ratemaking* to clarify that the standard is limited to ratemaking. Further, the section was revised to note that the subject of federal and foreign income taxes is clearly *excluded* by the standard. The subject of investment expenses was also specifically excluded since the subcommittee agreed that the subject should not be considered in this standard. One commentator questioned whether allocated loss adjustment expenses were included in the standard. The subcommittee revised the section to make it clear that all loss adjustment expenses are included in this standard.**

Section 1.2, Scope—A few commentators noted that this section is ambiguous in its use of examples. **The subcommittee modified the text to clearly note that the standard applies to all property/casualty coverages.**

Section 2. Definitions

Section 2.1, Allocated Loss Adjustment Expenses—**This definition was deleted since it is not used in the standard.**

Section 2.4, General Administrative Expenses (now section 2.3)—Several comments were received regarding reinsurance expenses. **The subcommittee added a new section, Provision for Reinsurance (see section 3.7), to discuss the treatment of reinsurance expenses. No changes were made to the definition of *general administrative expenses*.**

Section 2.5, Guaranty Fund Assessments (now section 2.10 and titled, Statutory Assessment Provision)—**The subcommittee developed a broader definition that refers to all statutory assessments in order to reflect guaranty fund assessments, and emerging statutory insurance and reinsurance mechanisms, such as the Florida Hurricane Catastrophe Fund, the Florida Windstorm Underwriting Association, and the California Earthquake**

Authority, as well as various administrative and special fund expenses for which entities are assessed. The subcommittee also replaced the word *insurer* with *entity* to further broaden the application.

Section 2.8, Policyholder Dividends (now section 2.6)—One comment letter noted that this was a weak definition. **Although the definition was slightly modified, the subcommittee believes that the revised definition is the most descriptive and definitive one available. The subcommittee deleted the phrase *charged to operations* at the end of the definition and added the phrase *or distributions of surplus*.**

Section 2.9, Rate (now section 2.8)—**No change was made. This definition is the same as the one found in the CAS *Statement of Principles Regarding Property and Casualty Insurance Ratemaking*.**

Section 2.10, Residual Market Provision (now section 2.9)—**Per comments received, the entire second sentence of the section was moved to section 4.9 of the exposure draft, which can now be found in appendix 1 under the title, Residual Market and Statutory Assessment Provisions.**

Section 2.11, Taxes, Licenses, and Fees—**Based on comments received and on an analysis of the insurance expense exhibit breakout, the subcommittee inserted the words *federal and foreign* before *income taxes* to make clear that state income, municipal, police department, fire department, etc., premium taxes should be considered.**

Section 2.12, Unallocated Loss Adjustment Expenses—Some commentators noted that since some companies contract claim handling as a percentage of each claim cost, some types of claim costs could be classified as “allocated” for one company and “unallocated” for another. **This definition was deleted since it is not used in the standard.**

Section 2.13, Variable Expenses (now section 2.7 and titled Premium-Related Expenses)—One commentator suggested that this section be titled, Premium Variable Expenses. **The subcommittee agreed in concept and changed the title to, Premium-Related Expenses.**

Other commentators suggested that the standard define *nonvariable expenses*, since the term is used in section 4.8 (this section can now be found in appendix 1, Current Practices, with the title, Expense Trending) and section 5.4, Measurement Base. **The subcommittee deleted use of this term. Thus, no definition is necessary. Expenses that are not related to premiums are treated in the second paragraph of section 3.2, Determining Expense Provisions, in this standard.**

Section 3. Background and Historical Issues (Now in Appendix 1 under Background)

Section 3.1, Inflation and Price Controls (this section can now be found in appendix 1 under the title, Inflation)—It was noted that *price controls* are not mentioned elsewhere in the section. **This phrase was deleted. The subcommittee also modified the wording in the last sentence of the paragraph to make the application of the loss trend less restrictive.**

Section 3.2, Expense Flattening (this section can now be found in appendix 1)—It was suggested that the word *policies* be expanded to *policies or other units of exposure*. **The subcommittee agreed and made the modification. In addition, the wording in the last sentence was changed to make the definition of *expense flattening* more explicit.**

Section 3.3, Expense Trending (this section can now be found in appendix 1 under Background)—It was noted that the phrase *expense trending* does not need to be italicized. **The subcommittee deleted the italics and replaced *measures* with *reflects*, since expense trending is not a true measure of changes.**

Section 3.4, Actuarial Literature (this section can now be found in appendix 1)— **In the first sentence, the subcommittee replaced the word *expenses* with the phrase *expense provisions in ratemaking* to make it consistent with the subject of the standard of practice. In the last sentence, the wording was modified to be consistent with the section, Expense Flattening.** Section 3.5, Regulation (this section can now be found in appendix 1)—It was suggested that the second sentence (*These expense limitations should be taken into account when establishing the premium rate filed with the regulator.*) reflects procedure rather than background. **The subcommittee deleted this sentence from the section, and modified the wording in section 4.1 of the standard to reflect this change.**

Section 4. Current Practices and Alternatives (Now in Appendix 1 under Current Practices)

Section 4.1, Categories (this section can now be found in appendix 1)—Suggestions included rearranging this section to remove the reference to specific loss adjustment expenses and inserting this reference into section 4.2. It was also suggested that the draft may be too limiting regarding current practice. **The subcommittee moved a portion of this section to the section directly below it (i.e., the old section 4.2, Loss Adjustment Expenses), and rewrote the remaining text to broaden the scope of current practice. Also, the word *special*, describing the studies that could be conducted, was deleted.**

Section 4.2, Loss Adjustment Expenses (this section can now be found in appendix 1)—It was suggested that the third and fourth sentences were inconsistent. **The subcommittee revised the third and fourth sentences of this section to clarify that unallocated expenses may be expressed as a function of premium.**

Section 4.3, Commissions and Premium Taxes (this section can now be found in appendix 1)—A concern was expressed that this section did not mention “truly variable commissions, e.g., ones that include profit-sharing based on loss ratios.” In addition, minor editorial changes were recommended. **The subcommittee is satisfied that this section is broad enough to allow the actuary to work with variable commissions. The editorial suggestions were adopted.**

Section 4.4, General Administrative Expenses and Other Acquisition Expenses (this section can now be found in appendix 1)—One commentator suggested that this section is inconsistent with sections 4.1 and 5.1 of the exposure draft. In addition, minor editorial suggestions were offered.

The subcommittee does not agree that an inconsistency exists among the sections, but it did incorporate the suggested editorial changes.

Section 4.5, Specific Jurisdiction versus Nationwide—Minor editorial changes were suggested. **After further consideration, the subcommittee concluded that this section was not necessary and deleted it.**

Section 4.8, Nonvariable Expenses (this section can now be found in appendix 1, Current Practices, with the title, Expense Trending)—Concern was expressed that this section restricts expense trending to only nonvariable expenses. It was also suggested that this section be broadened to include a discussion of the prospective treatment of expenses. **The subcommittee renamed this section Expense Trending, modifying the text to acknowledge that expenses may need to be adjusted to reflect changes over time.**

Section 4.9, Residual Market Provisions and Guaranty Fund Assessments (this section can now be found in appendix 1 with the title, Residual Market and Statutory Assessment Provisions)—A few comment letters requested making this section more general by removing references to *guaranty funds* and removing the reference to *state-specific residual market costs*. **The phrase *guaranty fund* was replaced with the term *statutory* in the title, and the phrase *state-specific* was eliminated from the section. The subcommittee also added language to identify an appropriate treatment of a residual market provision.**

Section 5. Analysis of Issues and Recommended Practices (Now Section 3)

Section 5.1, Categorizing Expenses (now section 3.1)—Concerns were expressed that requiring the actuary to be familiar with the *Instructions for Uniform Classification of Expenses* and with the entity's own methods of classifying expenses is too onerous. **This information (i.e., that contained in the NAIC publication and the entity's own methods) is important to the selection of an appropriate expense methodology. The section was left unchanged.** It was also suggested that the National Council on Compensation Insurance statistical plan be added to the list of expense definitions. **The subcommittee believes that the requirement to be "familiar with the entity's own methods" covers this issue.**

Section 5.2, Determining Expense Components (now section 3.2 and titled Determining Expense Provisions)—Several concerns were expressed about the discussion of ULAE and ALAE. Also, several comments requested that residual market costs be discussed in a separate section. **The discussion of ULAE and ALAE was deleted. Also, the subcommittee added a new section, Residual Market and Statutory Assessment Provisions (see section 3.6), and a new paragraph providing direction for handling expenses that do not vary directly with premium. This new paragraph replaces section 5.4 of the exposure draft.**

Section 5.3, Start-Up Costs (now section 3.3)—Comments were received that start-up costs should be more precisely defined. **The subcommittee believes that the determination of which costs are start-up costs and which are not should be made by the actuary in each unique situation. The subcommittee changed the language to include development costs, and made**

other editorial changes, but did not think it appropriate to more explicitly define these costs.

Section 5.4, Measurement Base—Several comment letters stated that the term *nonvariable expenses* needs to be defined. It was also suggested that the reference to *premium discounts or expense constants* be deleted. **As noted earlier regarding comments on section 5.2, the subcommittee deleted this section and moved the discussion of expenses that do not vary directly with premium to the second paragraph of section 3.2 of this standard.**

Section 5.5, Expense Trending (now section 3.4)—It was suggested that this section specifically identify the pertinent sections of ASOP No. 13, so that actuaries would not need to review the other standard of practice. **ASOP No. 13, *Trending Procedures in Property/Casualty Insurance Ratemaking*, should be reviewed whenever an actuary is engaged in ratemaking. No changes were made to this section.**

Section 5.6, Policyholder Dividends (now section 3.5)—Concerns were expressed that this section is unclear as to when policyholder dividends are (or are not) associated with the transfer of risk. **The subcommittee rewrote this section for clarification and to provide additional guidance.**

Note, as well, that two new sections have been added: section 3.6, Residual Market and Statutory Assessment Provisions (see the comments above regarding section 5.2 of the exposure draft), and section 3.7, Provision for Reinsurance (see the comments above regarding section 2.4 of the exposure draft).

Section 6. Communications and Disclosure (Now Section 4)

Section 6.1, Conflict with Law or Regulation (now section 4.1)—It was suggested that the actuary should quantify the economic impact of any limitations or exclusions. It was also suggested that conflicts should be disclosed to the regulator, in addition to the client or employer. **The subcommittee revised this section to note that, if a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer. In those situations where the regulator is neither a client nor an employer, it could be inappropriate for an actuary to disclose information directly to the regulator. Thus, the section was modified accordingly.**

Section 6.2, Documentation—One comment letter suggested that this section should simply reference ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*. **The subcommittee made the suggested change.** The Subcommittee on Ratemaking of the Casualty Committee thanks everyone who took the time and made the effort to write comment letters. The input was helpful in developing the final standard.



ACTUARIAL STANDARDS BOARD

**Actuarial Standard
of Practice
No. 30**

**Treatment of Profit and Contingency Provisions and the Cost of
Capital in Property/Casualty Insurance Ratemaking**

**Developed by the
Task Force on Rate of Return of the
Casualty Committee of the
Actuarial Standards Board**

**Adopted by the
Actuarial Standards Board
July 1997**

(Doc. No. 057)

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August 1997

TO: Members of Actuarial Organizations Governed by the Standards of Practice of the Actuarial Standards Board and Other Persons Interested in Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking

FROM: Actuarial Standards Board (ASB)

SUBJ: Actuarial Standard of Practice No. 30

This booklet contains the final version of Actuarial Standard of Practice (ASOP) No. 30, *Treatment of Profit and Contingency Provisions and the Cost of Capital in Property/Casualty Insurance Ratemaking*.

First and Second Exposure Drafts

The first draft of this standard was exposed for review in October 1994, with a comment deadline of March 15, 1995. Thirty-one comment letters were received. The second draft of this standard was exposed for review in August 1996, with a comment deadline of December 2, 1996. Ten comment letters were received on the second exposure draft. (For a copy of either exposure draft, please contact the ASB office.) The Task Force on Rate of Return of the ASB's Casualty Committee reviewed and carefully considered all comments received on both exposure drafts. As was the case after the first exposure, the task force revised the second exposure draft after participating in many conference calls and listening to comments made during question-and-answer sessions held at various Casualty Actuarial Society (CAS) meetings.

Substantive Issues

Following the first exposure draft, the task force received a number of comment letters regarding the discussion of rates versus prices. Although several changes were made in the second exposure draft to more clearly indicate that the proposed standard intended only to address the evaluation of costs (i.e., rates), some of the commentators' letters on the second exposure draft still expressed confusion on this point. In response, the task force further revised several sections to make clear that the standard does not address considerations such as marketing goals, competition, and legal restrictions that may affect price.

In addition to the "rates versus prices" issue, several commentators questioned whether the cost of capital is truly equivalent for stock, mutual, and other insurance organizations. After extensive discussion, the task force changed the language of the standard to focus the practitioner on assessing the cost of capital as an opportunity cost and to recognize that all risk transfers have an opportunity cost. The task force also combined section 3.8 with section 3.2 to indicate that the cost of capital may differ for various capital providers due to their differing risk characteristics,

and that such differences play a role in assessing the cost of capital for a specific capital provider. (For a detailed discussion of the comments and the task force's responses to such, please see appendix 2 of this standard.)

The task force is grateful to the many individuals who contributed written comments or participated in the numerous discussions of the proposed standard at CAS meetings. The task force believes that the final standard benefitted significantly from this professional debate.

The ASB voted in July 1997 to adopt the final standard.

Task Force on Rate of Return of the Casualty Committee

Mark Whitman, Chairperson

David Appel	Claus S. Metzner
Robert A. Bailey	Michael J. Miller
Robert P. Butsic	Richard G. Woll
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ACTUARIAL STANDARD OF PRACTICE NO. 30

TREATMENT OF PROFIT AND CONTINGENCY PROVISIONS AND THE COST OF CAPITAL IN PROPERTY/CASUALTY INSURANCE RATEMAKING

STANDARD OF PRACTICE

Section 1. Purpose, Scope, and Effective Date

- 1.1 Purpose—According to the *Statement of Principles Regarding Property and Casualty Insurance Ratemaking* (hereafter the *Statement of Principles*) of the Casualty Actuarial Society, insurance rates should provide for the cost of capital through underwriting profit and contingency provisions. This standard of practice provides guidance to actuaries in estimating the cost of capital and evaluating underwriting profit and contingency provisions.
- 1.2 Scope—This standard of practice applies to all property/casualty insurance coverages. This standard also applies to property/casualty risk financing systems, such as self-insurance, that provide similar coverages. References in the standard to *risk transfer* should be interpreted to include risk financing systems that provide for risk retention in lieu of risk transfer. Further, as is true of the *Statement of Principles*, this standard is limited to defining a *rate* as the estimation of future *costs* and does not address other considerations that may affect a *price*, such as marketing goals, competition, and legal restrictions.
- 1.3 Effective Date—This standard will be effective with respect to work performed after December 1, 1997.

Section 2. Definitions

The definitions below are defined for use in this actuarial standard of practice.

- 2.1 Capital—The funds intended to assure payment of obligations from insurance contracts, over and above those funds backing the liabilities.
- 2.2 Contingency Provision—A provision for the expected differences, if any, between the estimated costs and the average actual costs, that cannot be eliminated by changes in other components of the ratemaking process.
- 2.3 Cost of Capital—The rate of return that capital could be expected to earn in alternative investments of equivalent risk; also known as *opportunity cost*.

- 2.4 Insurance Cash Flows—Funds from premiums and miscellaneous (non-investment) income from insurance operations, and payments for losses, expenses, and policyholder dividends. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.5 Insurance Risk—The extent to which the level or timing of actual insurance cash flows is likely to differ from expected insurance cash flows.
- 2.6 Investment Income—Proceeds (other than the return of principal) derived from the investment of assets, minus investment expenses. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.7 Investment Income from Insurance Operations—The income associated with the investment of insurance cash flows. (This is sometimes referred to as *investment income on policyholder-supplied funds*.)
- 2.8 Investment Risk—The extent to which the level or timing of actual investment proceeds is likely to differ from what is expected.
- 2.9 Leverage—A measure of the relative amount of risk to which capital is exposed, typically expressed as the ratio of an exposure measure (such as premium or liabilities) to the capital amount.
- 2.10 Operating Profit—The sum of underwriting profit, miscellaneous (non-investment) income from insurance operations, and investment income from insurance operations. Associated income taxes are recognized when the analysis is on a post-tax basis.
- 2.11 Rate—An estimate of the expected value of future costs.
- 2.12 Total Return—The sum of operating profit and investment income on capital, usually after income taxes, often expressed in percentage terms.
- 2.13 Underwriting Expenses—All expenses except losses, loss adjustment expenses, investment expenses, policyholder dividends, and income taxes.
- 2.14 Underwriting Profit—Premiums less losses, loss adjustment expenses, underwriting expenses, and policyholder dividends.
- 2.15 Underwriting Profit Provision—The provision for underwriting profit in the actuarially developed rate, typically expressed as a percentage of the rate.

Section 3. Analysis of Issues and Recommended Practices

- 3.1 Estimating the Cost of Capital and the Underwriting Profit Provision—Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after taking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

For historical and practical reasons, this standard separately discusses the underwriting profit provision, investment income from insurance operations, and investment income on capital. The actuary should keep in mind that evaluation of whether the cost of capital is appropriately recognized does not necessarily require these distinctions.

- 3.2 Basis for Cost of Capital Estimates—In estimating the cost of capital, the actuary should consider the relationship between risk and return. The methods used for estimating the cost of capital should reflect the risks involved in the risk transfer under consideration. These risks may include insurance, investment, inflation, and regulatory risks, as well as diversification, debt structure, leverage, reinsurance, market structure, and other appropriate aspects of the social, economic, and legal environments.

Thus, the cost of capital is likely to vary from one insurer to another. The actuary should recognize that the capital which is needed to support any risk transfer has an opportunity cost regardless of the source of capital or the structure of the insurer.

- 3.3 Estimates of Future Costs—Since all components of a rate should be estimates of future costs relating to the risk transfer during the prospective period of time to which the rate applies, capital costs, investment income, income taxes, cash flows, and leverage factors used in calculating the profit provision should all be based on expected future values.
- 3.4 Parameters of the Risk Transfer —The actuary should recognize that the cost of capital associated with an individual risk transfer may vary, based on the specific parameters of the transfer. To the extent that deductibles, dividend or return of premium plans, reinsurance, etc., affect the risk of the insurer, the cost of capital and the amount of capital needed to support the transaction may be affected.
- 3.5 Investment Income—There are two elements of investment income that the actuary should consider: investment income from insurance operations and investment income on capital.

The actuary should assess the investment risk, since the amount and cost of capital should reflect investment risk as well as the risk associated with the insurance cash flows. Investment risk addresses the cost of default, reinvestment risk, and other investment uncertainties. Such risks can result in a significantly different yield than the stated yield rate.

Any of several general approaches may be used by the actuary to estimate investment income, as long as the assumptions are reasonable and appropriate. The investment yield rates used should be appropriate for the cash flow patterns associated with the coverages under consideration. If historical balance sheet and cash flow data are used to project investment income, the data should be adjusted to represent future investment income from the associated coverages.

The actuary may use any of a number of methods for recognizing investment income from insurance operations. Two such approaches are as follows:

- a. Methods that estimate investment income based on projected insurance cash flows. The insurance cash flows are projected for each future period, and the expected investment yield rate appropriate for each future period is applied to the insurance cash flow for that period. The investment yield rates should be appropriate for the cash flow patterns associated with the coverages under consideration.
 - b. Methods that apply an expected investment yield rate to assets representing the liabilities for losses, loss adjustment expenses, and unearned premium net of agents' balances and prepaid expenses. If historic liability-to-premium relationships are used, they should be adjusted to reflect expected future relationships between liabilities and premiums. The actuary should also consider, for example, the effects of growth, changes in expected loss or expense patterns, and the effect of the delayed receipt of investment income. The investment yield rate selected should represent the expected investment yield for the insurer during the period the rates are expected to be in effect.
- 3.6 Income Taxes—To the extent income taxes are not included in the expense provision, the actuary should use provisions for expected income taxes that are consistent with the earnings expected from the insurance transaction being evaluated.
- 3.7 Contingency Provision—The actuary should include a contingency provision if the assumptions used in the ratemaking process produce cost estimates that are not expected to equal average actual costs, and if this difference cannot be eliminated by changes in other components of the ratemaking process.

While the estimated costs are intended to equal the average actual costs over time, differences between the estimated and actual costs of the risk transfer are to be expected in any given year. If a difference persists, the difference should be reflected in the ratemaking calculations as a contingency provision. The contingency provision is not

intended to measure the variability of results and, as such, is not expected to be earned as profit.

- 3.8 Use of Different Bases—The cost of capital can be expressed as a percentage of capital, a percentage of assets, a percentage of premium, or other appropriate base. The actuary may choose any such appropriate base. Actuaries may use different bases, which can be converted from one to another. Regardless of which base is used to reflect the cost of capital, the actuary should clearly identify the base used and should document the relevant assumptions.
- 3.9 Accounting Rules for Comparing the Cost of Capital—The accounting rules employed within any model should be internally consistent. When comparing one industry with another, the actuary should make any necessary adjustments so that costs of capital of industries with different accounting methods can be properly compared.

Section 4. Communications and Disclosures

- 4.1 Conflict with Law or Regulation—If a law or regulation conflicts with the provisions of this standard, the actuary should develop a rate in accordance with the law or regulation, and disclose any material difference between the rate so developed and the actuarially determined rate to the client or employer.
- 4.2 Documentation—The actuary should be guided by the provisions of ASOP No. 9, *Documentation and Disclosure in Property and Casualty Insurance Ratemaking, Loss Reserving, and Valuations*.
- 4.3 Deviation from Standard—An actuary must be prepared to justify the use of any procedures that depart materially from those set forth in this standard and must include, in any actuarial communication disclosing the results of the procedures, an appropriate statement with respect to the nature, rationale, and effect of such departures.

Appendix 1

Background and Current Practices

Note: This appendix is provided for informational purposes, but is not part of the standard of practice.

Background

Historical Procedures—Until the 1970s, it was common practice to include in rate calculations a standard underwriting profit and contingency provision of 2.5% for workers compensation insurance and 5% for other property/casualty lines of insurance (6% for some property lines). These provisions did not explicitly reflect investment income, since there was general agreement at the time that these standard provisions implicitly reflected investment income and insurance risk in a reasonable fashion. However, economic and structural changes in the insurance industry over time began to lead to the explicit recognition of investment income in calculating insurance rates.

Historical Issues—A number of issues have historically accompanied the development and evaluation of the underwriting profit and contingency provisions: (1) how to measure risk and reflect it in the underwriting profit provision, (2) how or whether to measure any systematic variation from expected costs and reflect it in the contingency provision, (3) which accounting rules should be used to measure insurance returns and to compare them with returns in other industries, (4) how or whether to allocate investment income and capital, and (5) how to relate underwriting profit provisions in rates to the cost of capital.

Role of Capital—Capital plays several roles in an insurance transaction, including providing the initial investment in physical plant and equipment and providing working capital. However, the primary role is to assure payment of obligations from insurance contracts, over and above those funds backing the liabilities.

Capital has a value and its use entails a cost. The cost is the expected return the capital could earn in alternative investments of equivalent risk. Judicial decisions dealing with the cost of capital and profit provisions (see, e.g., *Federal Power Commission v. Hope Natural Gas*, 320 U.S. 591 (1944)) provide background and definitions for the determination of the cost of capital in a regulatory setting.

Role of the Underwriting Profit Provision—The underwriting profit provision, together with all other cost and revenue components as defined in section 2.12, provides the risk taker with an expected total return to cover the cost of capital.

Role of the Contingency Provision—A common assumption underlying property/casualty insurance ratemaking is that the expected costs included in the rate calculations will equal the actual costs over the long run. If not, and the expected difference cannot be explicitly attributed

to a specific component of the rate (and thereby eliminated), then this difference is incorporated in the ratemaking process by including a contingency provision.

Current Practices

A method commonly used to develop or test the underwriting profit provision in insurance rates is to estimate the cost of capital and translate that cost into an underwriting profit provision. Some methods currently used to estimate the cost of capital, and financial models to relate that cost to the underwriting profit provision, are described below.

Underwriting profit provisions can also be developed using models that do not directly relate the cost of capital to the underwriting profit provision. Some of these models are also described below.

Inclusion of a particular model in this appendix should not be interpreted as an endorsement, but rather a recognition that such a model is used. Some applications of these models may not be consistent with section 3 of this standard.

Estimating the Cost of Capital—Several techniques are used to estimate the cost of capital. These include, but are not limited to, the following:

1. **Comparable Earnings Model**—The comparable earnings model is used to analyze historical returns on equity for entities or industries of comparable risk. The cost of capital is related to the average rate of return over a historical period.
2. **Discounted Cash Flow Model**—One form of the discounted cash flow (DCF) model, the dividend discount model, is used to analyze the current prices and dividend levels of publicly traded securities that pay dividends. The cost of capital is calculated as the sum of the expected first-year dividend yield plus the expected annual growth rate in dividends.
3. **Risk Premium Model**—The risk premium model is used to analyze the spread in returns for investments of different risk. The cost of capital is estimated as the sum of the expected return on a reference investment plus a margin to reflect relative risk. One widely used form of risk premium analysis is known as the capital asset pricing model (CAPM), in which the reference security is a risk free Treasury security, and the risk margin is determined using a measure of risk known as *beta*, defined as the covariance of an investment's return with returns in capital markets as a whole.

Relating the Cost of Capital to the Underwriting Profit Provision—This section describes various models currently used regarding the relation of the cost of capital to the underwriting profit provision.

1. Models that directly develop an underwriting profit provision are as follows:

- a. Net Present Value Model—The net present value (NPV) model is used to discount the estimated net cash flow to the capital provider at a rate equal to the cost of capital. For the purpose of these calculations, *net cash flow* is defined as the residual amounts of cash that flow to and from the equity account, after all policy obligations are met. The net cash flow reflects the timing of each of the individual cash flows, including the commitment and release of capital in support of the insurance transaction. The internal rate of return (IRR) model, a specific application of the general NPV model, uses an iteration technique to calculate the rate(s) of return that will set the net present value of a risk transfer's cash inflows and outflows equal to zero.
 - b. Other Discounting Models—Other discounting models can be used to estimate the present value of the individual cash flows from the insurance transaction. The present value of the premium and miscellaneous (non-investment) income, before profit, is set equal to the present value of the associated losses, expenses, policyholder dividends, and income taxes. The present values are estimated using appropriate prospective investment yield rates. A margin can be added to the present value of the premium so that the margin plus the expected investment income on capital generate a post-tax return that, when divided by the required capital, equals the cost of capital.
 - c. Total Financial Needs Model—Total financial needs models are used to develop the underwriting profit provision such that the sum of underwriting profit, miscellaneous (non-investment) income, investment income from insurance operations, and investment income on capital, after income taxes, will equal the cost of capital. Each of these components is explicitly quantified.
2. Models that do not directly relate the cost of capital to the underwriting profit provision are as follows:
- a. State X Model—The State X model (originally appearing in some Insurance Services Office, Inc. rate filings as the *State X method*) is used to estimate the investment income from insurance operations. The method does not, in itself, allow for development of the total return or of a profit provision; it is used merely to develop one component of the total rate of return—the estimated investment income from insurance operations.
 - b. Risk Adjusted Net Present Value Model—The risk adjusted net present value (RANPV) model is used to estimate the risk adjusted present value of the insurance cash flows. Each of the flows is analyzed for its specific risk, and the otherwise attainable prospective investment yield rate is adjusted by the risk component prior to calculating the present value. Using the RANPV model, one calculates the premium directly, so that the risk adjusted present value of the premium and miscellaneous (non-investment) income equals the risk adjusted present value of the losses, expenses, policyholder dividends, and associated in-

come taxes. The expected underwriting profit in the premium can be derived from the RANPV model by summing all components using their undiscounted values.

- c. **Growth Requirement Model**—The growth requirement model is used to set the level of retained earnings based on the expected future growth rate of the entity or industry.
- d. **Additional Models**—Other models that do not directly relate the cost of capital to the underwriting profit provision include options pricing models, arbitrage pricing models, models based on ruin theory, models based on utility theory, and shareholder value models.

Developing and Evaluating a Contingency Provision—Contingency provisions have been developed in practice using methods that measure differences between expected and actual costs.

Appendix 2

Comments on the 1996 Second Exposure Draft and Task Force Responses

The second draft of this standard was exposed for review in August 1996, with a comment deadline of December 2, 1996. Ten comment letters were received and reviewed carefully by the Task Force on Rate of Return of the ASB's Casualty Committee. Summarized below are the significant issues and questions contained in the comment letters, printed in lightface. The task force's responses appear in **boldface**.

General Observations

Of the ten comment letters received on the second exposure draft, most of the comments were favorable. Even those commentators who provided suggestions for changes seemed pleased with the overall direction the task force took in developing the second exposure draft. Samples of such satisfaction were found in comments such as follows: "I think this is an example of the type of standards that the profession should be developing," "[t]his draft represents an overall improvement over the initial exposure draft," and "the [task force] has taken great pains in carefully defining many critical concepts that our standards omit today." Most of the suggestions for revising text were to further clarify concepts already present within the second exposure draft.

However, it was also evident from the comments that some confusion still exists surrounding the "rate versus price" issue. For example, one commentator believes that the standard should not limit actuarial practice in setting profit margins that are either explicit or implicit in actual prices in the marketplace. The commentator further raises potential legal issues were the actuarial profession to engage in limiting actuarial practice in this area. **The task force agrees with the commentator that the standard does not apply to final (market) prices—the standard is entirely focused on the evaluation of costs. In fact, the task force has consistently and consciously focused on costs (not on prices) in its deliberations in consideration of the legal environment and has obtained competent legal advice as appropriate.**

The commentator also questions whether a consensus on acceptable actuarial practice currently exists in this area. **The task force believes such consensus exists and is embodied in the standard. The current syllabus upon which actuarial examinations are based is one indicator that a consensus exists. The extensive presentations and discussions of the proposed standard at Casualty Actuarial Society (CAS) meetings and seminars is another indication that such a consensus exists.**

Section 1. Purpose, Scope, and Effective Date

Section 1.1, Purpose—One commentator thought that the use of the phrase *include the cost of capital* in the first sentence of this section implied that the *Statement of Principles Regarding*

Property and Casualty Insurance Ratemaking of the CAS requires that an explicit provision for the cost of capital be included in rates. **The task force revised the text by replacing *include* with *provide for* to more closely match its understanding of the *Statement of Principles*.**

Section 1.2, Scope—**The task force revised this section to more clearly distinguish between *rate* and *price*. In addition, the task force added language to clarify that the standard applies to property/casualty risk financing systems, such as self-insurance.**

Section 2. Definitions

Section 2.2, Contingency Provision—One commentator suggested clarifying the language in this section to note that, in addition to quantification, a contingency provision might be provided for in other ways. **The task force reworded the section, making it more consistent with section 3.7.** Another commentator questioned the definition's lack of consideration of the potential variance in results. **The task force did not expand the definition, since it believes that the profit provision more appropriately should reflect variance in results.**

Section 2.3, Cost of Capital—Two commentators suggested changes. One suggested inclusion of specific components in the definition; the second suggested that *cost of capital* be defined as the *cost of capital desired by the capital provider*. **The task force did not modify the definition, as section 3.2 references a number of influences on the cost of capital. The task force did, however, revise section 3.2 by including additional explanatory language and believes these revisions to section 3.2 address the concerns raised by the second commentator.**

Section 2.4, Insurance Cash Flows—One commentator suggested changing the title of this section to Net Insurance Cash Flows, while another suggested referencing the treatment of taxes directly rather than indirectly. **The task force modified the language to clarify that miscellaneous (non-investment) income is from insurance operations. The revised section 2.4 also presents the components of insurance cash flow as items in a list to avoid the appearance of a calculation and directly references the treatment of income taxes.**

Section 2.6, Investment Income—Two commentators suggested clarifying the language with respect to the treatment of income taxes. **The task force adopted the suggestions and also adopted consistent language in sections 2.4 and 2.10.**

Section 2.8, Investment Risk—Two commentators pointed out an inconsistency in the usage of the terms *proceeds* and *income* in other definitions. **The task force clarified the text by using the term *proceeds* consistently.**

Section 2.10, Operating Profit, and Section 2.13, Underwriting Profit (now sections 2.10, Operating Profit; 2.13, Underwriting Expenses; and 2.14, Underwriting Profit)—Three commentators questioned the usage of the terms included (or excluded) in these definitions. There also appeared to be some confusion as to which expense items were included in the term *expenses*. **After careful review and discussion of the comments, the task force made changes in these definitions and added a new section (2.13, Underwriting Expenses). The intent of**

the commentators was incorporated in the three definitions, and the task force believes the revisions achieve the clarity and consistency suggested. These definitions are consistent with the categories used in the underwriting and investment exhibit statement of income in the National Association of Insurers Commissioners (NAIC) annual statement blank for property and casualty insurers. Specifically, the definition of *underwriting profit* is consistent with the definition of *net underwriting gain (or loss)* from the NAIC statement blank.

Section 2.12, Total Return—One commentator suggested that the definition include some examples of commonly used bases of total return. **The task force did not make any changes, since it believes the definition is clear as stated.**

Section 3. Analysis of Issues and Recommended Practices

Section 3.1, Estimating the Cost of Capital and the Underwriting Profit Provision—One commentator wanted to change the beginning of the third sentence of this section from *Similarly* to *Alternatively*. **The task force made the change.**

Section 3.2, Basis for Cost of Capital Estimates—One commentator suggested that in the second sentence, the phrase *business activity* be changed to *risk transfer*. **The task force made this change.** Another commentator suggested adding *currency* to the list of risks included and noted that the list could be construed as “limiting or as a checklist of specific requirements.” **The task force disagrees. Since the types of risk to consider are many and diverse, the task force believes that it is necessary to provide a reasonable set of examples. The language of the standard (i.e., *These risks may include*) clearly indicates that the list is not exhaustive.**

Another commentator suggested that the reference to the *Hope Natural Gas* case be placed in the background section, i.e., in appendix 1. **The task force agrees and moved the reference accordingly (see the section titled, Role of Capital).**

Note as well that a new paragraph was added to section 3.2 (see the discussion below regarding comments received on section 3.8).

Section 3.3, Estimates of Future Costs—Several commentators disagreed that capital costs should be based upon expected future values, since the cost is dependent on the risk or variability to which it is exposed. **The task force agrees that risk or variability is an element of capital costs. Risk or variability is appropriately considered in deriving the expected value; therefore, no change in the language used is necessary.**

Section 3.4, Risk Sharing (now titled Parameters of the Risk Transfer)—One commentator suggested that the title of this section should be changed, noting that insurance is a risk transfer device, and not a risk sharing device. This commentator also suggested alternative wording to clarify the roles of the two main parties to the insurance transaction: the insured and the insurer. **The task force agrees with the commentator and rewrote the section to indicate that the cost of capital may vary with the specific parameters of the risk transfer.**

Another commentator noted that deductibles, limits, etc., affect the *structure* of the risk transfer rather than the parties involved. **The task force agrees that these factors affect the structure of the risk transfer and believes that the revised language addresses this concern.**

Section 3.5, Investment Income—One commentator suggested a revised second sentence in paragraph two as follows: *Investment risk includes the estimated cost of default and reinvestment risk on the assets associated with the proposed transaction, since such costs can result in a significantly different yield than the stated yield rate.* **The task force agrees with the commentator and changed the text to be substantially similar to the suggested revision.**

This commentator also suggested revising paragraph (b) to add *retention of business* as a subject for the actuary's consideration. **The task force agrees that retention of business may be a consideration, but the standard is not intended to provide an exhaustive list of considerations. The phrase *for example* was added to clarify that the section does not provide a complete list.**

Section 3.6, Income Taxes—One commentator suggested adding the following sentence: *The income tax position of the risk assuming entity, such as tax loss carry forwards, and alternative minimum taxes, may also be relevant to accepting or rejecting the proposed risk transfer.* **The task force disagrees with this suggestion, because it believes this suggestion addresses considerations that are not relevant to the cash flows for the risks being transferred. Therefore, no change was made.**

Section 3.7, Contingency Provision—One commentator suggested adding a sentence which would state that the actuary need not explicitly identify the contingency provision separate from the profit provision, and that the contingency provision is not intended as a risk margin for catastrophic events. **The task force believes the definition of *contingency provision* makes it clear that it is *not* a risk margin for catastrophic events. The task force disagrees that a contingency provision can implicitly be combined with a profit provision, because the two provisions are distinctly different, both subject to explicit determination.**

Another commentator suggested that the use and meaning of a contingency provision was unclear and needed to be clarified in the standard. **The task force believes that, with the clarifying changes made to the second paragraph of this section, the standard adequately explains the use of the contingency provision as a correction factor when the ratemaking process has produced in the past, and is expected to produce in the future, cost estimates not equal to average actual costs.**

Section 3.8, Structure of Insurer—This section of the second exposure draft addressed the structure of the insurer, such as stock, mutual, etc. Several commentators expressed concern that the requirements of the capital providers should be taken into account when considering the cost of the insurance product, and that non-stock organizations might have different requirements than stock companies. One commentator specifically suggested making a greater distinction between the cost of capital and the desired return on capital. **The task force rewrote the text of this section to place greater emphasis on the economic concept of *opportunity cost*, which**

refers specifically to the value of capital in its next best alternative use. Under this definition, the proper cost of capital is the return that the capital could earn in an alternative investment of equivalent risk. The task force does not believe that this differs depending on the ownership structure (i.e., stock, mutual, or other) of the insurer per se. However, as discussed in section 3.4, the actuary's estimate of the cost of capital should reflect characteristics of the risk transfer that may arise due to ownership structure (such as, for example, the availability of policyholder dividends). Note, in addition, that the text of this section was moved to section 3.2 in order to enhance clarity.

One commentator who questioned section 3.8 also wished to add to the standard a new section, which would read as follows:

Several of the models used for estimating the underwriting profit provision also permit the actuary to rank potential risk transfer undertakings. An actuary should be prepared to rank the risk versus the reward (the total return, from underwriting and from investment income) for various scenarios involving the allocation of capital towards a certain line of insurance or a specific product.

The commentator's rationale for this suggestion is that “the actuary of the future may often be called upon to estimate not only the reward (the total return from allocating capital towards a certain line of insurance or a specific product), and not only the associated risk, but also to rank several risk/reward scenarios for a client or employer.” **The task force agrees that an actuary can be asked to estimate and rank various risk/reward scenarios for a client or an employer. However, the task force thinks that while this is implicit in the role an actuary plays, the matter is beyond the scope of the standard.**

Appendix 1—Background and Current Practices

Role of the Underwriting Profit Provision—One commentator found the references to *all other cost and revenue components* too vague. **The task force agrees that the reference is not precise, but the next clause of the sentence refers to *total [rate of] return*, which is precisely defined in section 2.12. Hence, no change was made.**

Estimating the Cost of Capital—One commentator suggested adding a parenthetical phrase, (*generally a risk free investment*), to the description of the risk premium model (in the second sentence of item (3), after the phrase, *reference investment*). **The task force disagrees with this change. In the typical (perhaps the most common) implementation of the risk premium method, the reference security is a long-term utility bond, which is not risk free. Thus, the second sentence was left unchanged. However, the task force did modify the next sentence as follows: *One widely used form of risk premium analysis is known as the capital asset pricing model (CAPM), in which the reference security is a risk free Treasury security, and the risk margin is determined...* This correctly identifies that in the CAPM variant of risk premium analysis, the reference security is risk free.**

Relating the Cost of Capital to the Underwriting Profit Provision—One commentator expressed concern about the use of the singular *rate* in the last sentence of the section that discusses the net present value model, and another suggested alternative wording for clarity, in the definition of the IRR model. **The task force changed *rate* to *rate(s)*, and adopted the proposed wording to note that the IRR calculates the rate(s) of return by setting the net present value of a risk transfer's cash inflows and outflows equal to zero.**

The task force thanks everyone who took the time and made the effort to write comment letters. The input was helpful in developing the final standard.

**North Carolina Rate Bureau
Data Reviewed**

<u>Rate Element</u>	<u>Type of Data</u>	<u>Number of Years Reviewed</u>
<i>Loss Provision:</i>		
BI, PD, Med Pay, UM	Accident Year	3
Comprehensive, Collision	Calendar Year	3
Motorcycles	Calendar Year	3
BI – Increased Limits	Accident Year	3
PD – Increased Limits	Accident Year	3
<i>Loss Adjustment Factors:</i>		
Loss Trends (except UM and UIM)	Calendar Year	6.75
Loss Trends – UM	Accident Year	12
Loss Trends – UIM	Accident Year	7
Loss Development	Accident Year	14
Catastrophe Losses - Comprehensive	Calendar Year	30
<i>Rating Exposure Trends:</i>		
Symbol Trend	Calendar Year	4.5
Model Year Trend	Model Year	10
<i>Expenses:</i>		
ULAE	Calendar Year	3
General	Calendar Year	3
Other Acquisition	Calendar Year	3
Taxes, Licenses, & Fees	Calendar Year	3
Expense Trends	Calendar Year	4
<i>Other Factors:</i>		
Territory Rating Factors	Calendar Year	3
Dividends	Calendar Year	6
Capital Gains	Calendar Year	10
Contingencies	Calendar Year	10
Installment Income	Calendar Year	10

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
Bodily Injury	1995	\$88.55	\$80.67	\$88.97	-0.005	-0.093	Yes
	1996	88.97	85.20	88.53	0.005	-0.038	Yes
	1997	88.53	85.57	84.91	0.043	0.008	No
	1998	84.91	85.25	86.45	-0.018	-0.014	Tie
	1999	86.45	86.47	80.46	0.074	0.075	Tie
	2000	80.46	82.69	78.95	0.019	0.047	Yes
	2001	78.95	79.41	72.88	0.083	0.090	Yes
	2002	72.88	76.23	73.12	-0.003	0.043	Yes
	2003	73.12	75.78	75.01	-0.025	0.010	No
	2004	75.01	74.97	103.18	-0.273	-0.273	Tie
	2005	103.18	103.81	105.12	-0.018	-0.012	No
	2006	105.12	106.33	103.29	0.018	0.029	Yes
	2007	103.29	106.30	106.81	-0.033	-0.005	No
2008	106.81	107.12					
	Average Absolute Value				0.047	0.057	6/4/3
Property Damage	1995	\$57.16	\$51.98	\$64.73	-0.117	-0.197	Yes
	1996	64.73	58.40	70.44	-0.081	-0.171	Yes
	1997	70.44	64.11	75.30	-0.065	-0.149	Yes
	1998	75.30	69.94	76.61	-0.017	-0.087	Yes
	1999	76.61	74.95	79.53	-0.037	-0.058	Yes
	2000	79.53	77.98	82.38	-0.035	-0.053	Yes
	2001	82.38	79.81	82.36	0.000	-0.031	Yes
	2002	82.36	81.08	79.93	0.030	0.014	No
	2003	79.93	81.30	79.61	0.004	0.021	Yes
	2004	79.61	80.54	100.77	-0.210	-0.201	No
	2005	100.77	99.65	98.66	0.021	0.010	No
	2006	98.66	99.82	99.39	-0.007	0.004	Tie
	2007	99.39	100.27	101.63	-0.022	-0.013	No
2008	101.63	101.01					
	Average Absolute Value				0.050	0.078	8/4/1

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
Med Pay	1995	\$18.63	\$17.40	\$19.09	-0.024	-0.089	Yes
	1996	19.09	18.43	19.52	-0.022	-0.056	Yes
	1997	19.52	19.11	19.32	0.010	-0.011	Tie
	1998	19.32	19.44	18.90	0.022	0.029	Yes
	1999	18.90	19.52	18.14	0.042	0.076	Yes
	2000	18.14	18.99	18.76	-0.033	0.012	No
	2001	18.76	18.89	18.48	0.015	0.022	Yes
	2002	18.48	18.76	18.63	-0.008	0.007	Tie
	2003	18.63	18.78	19.65	-0.052	-0.044	No
	2004	19.65	19.10	22.55	-0.129	-0.153	Yes
	2005	22.55	22.49	22.18	0.017	0.014	Tie
	2006	22.18	22.66	21.69	0.023	0.045	Yes
	2007	21.69	22.16	22.20	-0.023	-0.002	No
2008	22.20	21.66					
Average Absolute Value					0.032	0.043	7/3/3

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Comprehensive	1995	\$53.51	\$45.73	\$50.07	0.069	-0.087	Yes
	1996	50.07	48.78	54.43	-0.080	-0.104	Yes
	1997	54.43	52.14	68.31	-0.203	-0.237	Yes
	1998	68.31	57.90	62.11	0.100	-0.068	No
	1999	62.11	62.16	67.20	-0.076	-0.075	Tie
	2000	67.20	66.50	72.04	-0.067	-0.077	Yes
	2001	72.04	67.67	72.96	-0.013	-0.073	Yes
	2002	72.96	71.25	64.01	0.140	0.113	No
	2003	64.01	69.72	70.12	-0.087	-0.006	No
	2004	70.12	68.92	82.40	-0.149	-0.164	Yes
	2005	82.40	76.97	67.98	0.212	0.132	No
	2006	67.98	75.81	64.57	0.053	0.174	Yes
	2007	64.57	71.69	71.48	-0.097	0.003	No
2008	71.48	68.09					
	Average Absolute Value				0.104	0.101	7/5/1
Collision	1995	\$100.93	\$93.18	\$111.48	-0.095	-0.164	Yes
	1996	111.48	99.66	120.20	-0.073	-0.171	Yes
	1997	120.20	109.69	134.71	-0.108	-0.186	Yes
	1998	134.71	122.20	131.24	0.026	-0.069	Yes
	1999	131.24	128.89	132.67	-0.011	-0.028	Yes
	2000	132.67	132.90	142.02	-0.066	-0.064	Tie
	2001	142.02	135.19	148.69	-0.045	-0.091	Yes
	2002	148.69	141.18	139.71	0.064	0.011	No
	2003	139.71	143.53	147.55	-0.053	-0.027	No
	2004	147.55	145.22	165.06	-0.106	-0.120	Yes
	2005	165.06	166.37	161.20	0.024	0.032	Yes
	2006	161.20	165.94	159.64	0.010	0.039	Yes
	2007	159.64	162.24	160.10	-0.003	0.013	Yes
2008	160.10	160.76					
	Average Absolute Value				0.053	0.078	10/2/1

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>1-Year Better?</u>
Bodily Injury	1995	\$88.55	\$83.10	\$88.97	-0.005	-0.066	Yes
	1996	88.97	86.34	88.53	0.005	-0.025	Yes
	1997	88.53	86.40	84.91	0.043	0.018	No
	1998	84.91	85.23	86.45	-0.018	-0.014	Tie
	1999	86.45	86.38	80.46	0.074	0.074	Tie
	2000	80.46	82.02	78.95	0.019	0.039	Yes
	2001	78.95	79.13	72.88	0.083	0.086	Tie
	2002	72.88	75.32	73.12	-0.003	0.030	Yes
	2003	73.12	74.95	75.01	-0.025	-0.001	No
	2004	75.01	74.80	103.18	-0.273	-0.275	Tie
	2005	103.18	103.72	105.12	-0.018	-0.013	No
	2006	105.12	106.07	103.29	0.018	0.027	Yes
	2007	103.29	105.45	106.81	-0.033	-0.013	No
2008	106.81	106.97					
	Average Absolute Value				0.047	0.052	5/4/4
Property Damage	1995	\$57.16	\$53.50	\$64.73	-0.117	-0.173	Yes
	1996	64.73	60.26	70.44	-0.081	-0.145	Yes
	1997	70.44	66.01	75.30	-0.065	-0.123	Yes
	1998	75.30	71.60	76.61	-0.017	-0.065	Yes
	1999	76.61	75.66	79.53	-0.037	-0.049	Yes
	2000	79.53	78.37	82.38	-0.035	-0.049	Yes
	2001	82.38	80.57	82.36	0.000	-0.022	Yes
	2002	82.36	81.50	79.93	0.030	0.020	No
	2003	79.93	81.01	79.61	0.004	0.018	Yes
	2004	79.61	80.17	100.77	-0.210	-0.204	No
	2005	100.77	99.92	98.66	0.021	0.013	No
	2006	98.66	99.63	99.39	-0.007	0.002	No
	2007	99.39	99.92	101.63	-0.022	-0.017	No
2008	101.63	101.11					
	Average Absolute Value				0.050	0.069	8/5/0

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Pure Premium</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Wtd. Avg.</u>	<u>1-Year Better?</u>
Med Pay	1995	\$18.63	\$17.79	\$19.09	-0.024	-0.068	Yes
	1996	19.09	18.64	19.52	-0.022	-0.045	Yes
	1997	19.52	19.24	19.32	0.010	-0.004	No
	1998	19.32	19.45	18.90	0.022	0.029	Yes
	1999	18.90	19.34	18.14	0.042	0.066	Yes
	2000	18.14	18.75	18.76	-0.033	-0.001	No
	2001	18.76	18.82	18.48	0.015	0.018	Tie
	2002	18.48	18.70	18.63	-0.008	0.004	Tie
	2003	18.63	18.72	19.65	-0.052	-0.047	No
	2004	19.65	19.25	22.55	-0.129	-0.146	Yes
	2005	22.55	22.57	22.18	0.017	0.018	Tie
	2006	22.18	22.53	21.69	0.023	0.039	Yes
	2007	21.69	21.99	22.20	-0.023	-0.009	No
2008	22.20	21.77					
Average Absolute Value					0.032	0.038	6/4/3

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

Coverage	Year of Filing/Review	Pure Premium			Difference		
		Latest Year	3-Year Wtd. Avg.	Actual Next Year	Latest Year	3-Year Wtd. Avg.	1-Year Better?
Comprehensive	1995	\$53.51	\$47.84	\$50.07	0.069	-0.045	No
	1996	50.07	49.52	54.43	-0.080	-0.090	Yes
	1997	54.43	52.59	68.31	-0.203	-0.230	Yes
	1998	68.31	60.78	62.11	0.100	-0.021	No
	1999	62.11	62.80	67.20	-0.076	-0.065	No
	2000	67.20	66.30	72.04	-0.067	-0.080	Yes
	2001	72.04	69.05	72.96	-0.013	-0.054	Yes
	2002	72.96	71.87	64.01	0.140	0.123	No
	2003	64.01	68.32	70.12	-0.087	-0.026	No
	2004	70.12	68.76	82.40	-0.149	-0.166	Yes
	2005	82.40	78.63	67.98	0.212	0.157	No
	2006	67.98	74.10	64.57	0.053	0.148	Yes
	2007	64.57	69.19	71.48	-0.097	-0.032	No
2008	71.48	68.78					
	Average Absolute Value				0.104	0.095	6/7/0
Collision	1995	\$100.93	\$95.11	\$111.48	-0.095	-0.147	Yes
	1996	111.48	103.03	120.20	-0.073	-0.143	Yes
	1997	120.20	112.99	134.71	-0.108	-0.161	Yes
	1998	134.71	125.80	131.24	0.026	-0.041	Yes
	1999	131.24	130.19	132.67	-0.011	-0.019	Yes
	2000	132.67	132.67	142.02	-0.066	-0.066	Tie
	2001	142.02	136.98	148.69	-0.045	-0.079	Yes
	2002	148.69	143.54	139.71	0.064	0.027	No
	2003	139.71	142.90	147.55	-0.053	-0.032	No
	2004	147.55	145.34	165.06	-0.106	-0.119	Yes
	2005	165.06	166.44	161.20	0.024	0.033	Yes
	2006	161.20	164.47	159.64	0.010	0.030	Yes
	2007	159.64	161.37	160.10	-0.003	0.008	Yes
2008	160.10	160.54					
	Average Absolute Value				0.053	0.070	10/2/1

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
General and Other Acquisition Expenses
Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Expenses Per Exposure</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
Bodily Injury	1995	\$15.23	\$14.05	\$15.42	-0.012	-0.089	Yes
	1996	15.42	14.85	18.36	-0.160	-0.191	Yes
	1997	18.36	16.35	18.04	0.018	-0.094	Yes
	1998	18.04	17.38	16.80	0.074	0.035	No
	1999	16.80	17.79	16.84	-0.002	0.056	Yes
	2000	16.84	17.22	18.37	-0.083	-0.063	No
	2001	18.37	17.35	17.17	0.070	0.010	No
	2002	17.17	17.47	15.93	0.078	0.097	Yes
	2003	15.93	17.02	15.87	0.004	0.072	Yes
	2004	15.87	15.59	18.79	-0.155	-0.170	Yes
	2005	18.79	18.35	20.94	-0.103	-0.124	Yes
	2006	20.94	19.47	20.36	0.028	-0.044	Yes
	2007	20.36	20.15	22.99	-0.114	-0.124	Yes
2008	22.99	21.54					
Average Absolute Value					0.069	0.090	10/3/0
Property Damage	1995	\$9.92	\$10.49	\$10.33	-0.040	0.015	No
	1996	10.33	10.50	10.64	-0.029	-0.013	No
	1997	10.64	10.40	9.72	0.095	0.070	No
	1998	9.72	10.28	12.03	-0.192	-0.145	No
	1999	12.03	10.83	13.32	-0.097	-0.187	Yes
	2000	13.32	11.69	14.51	-0.082	-0.194	Yes
	2001	14.51	13.30	13.74	0.056	-0.032	No
	2002	13.74	13.85	14.78	-0.070	-0.063	No
	2003	14.78	14.39	16.15	-0.085	-0.109	Yes
	2004	16.15	14.34	19.66	-0.179	-0.271	Yes
	2005	19.66	17.68	20.40	-0.036	-0.133	Yes
	2006	20.40	19.39	19.67	0.037	-0.014	No
	2007	19.67	20.01	22.21	-0.114	-0.099	No
2008	22.21	20.84					
Average Absolute Value					0.086	0.103	5/8/0

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
Loss and LAE Per Exposure

<u>Coverage</u>	<u>Year of Filing/Review</u>	<u>Expenses Per Exposure</u>			<u>Difference</u>		
		<u>Latest Year</u>	<u>3-Year Average</u>	<u>Actual Next Year</u>	<u>Latest Year</u>	<u>3-Year Average</u>	<u>1-Year Better?</u>
Med Pay	1995	\$3.22	\$2.95	\$3.27	-0.015	-0.098	Yes
	1996	3.27	3.11	3.69	-0.114	-0.157	Yes
	1997	3.69	3.39	3.53	0.045	-0.040	No
	1998	3.53	3.52	3.47	0.017	0.014	Tie
	1999	3.47	3.57	3.53	-0.017	0.011	No
	2000	3.53	3.50	3.83	-0.078	-0.086	Yes
	2001	3.83	3.61	3.66	0.046	-0.014	No
	2002	3.66	3.67	3.44	0.064	0.067	Tie
	2003	3.44	3.63	3.53	-0.025	0.028	Tie
	2004	3.53	3.40	3.99	-0.115	-0.148	Yes
	2005	3.99	3.69	4.62	-0.136	-0.201	Yes
	2006	4.62	4.07	3.51	0.316	0.160	No
	2007	3.51	3.44	3.85	-0.088	-0.106	Yes
2008	3.85	3.67					
Average Absolute Value					0.083	0.087	6/4/3

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

Test of Responsiveness
General and Other Acquisition Expenses
Per Exposure

Coverage	Year of Filing/Review	Expenses Per Exposure			Difference		
		Latest Year	3-Year Average	Actual Next Year	Latest Year	3-Year Average	1-Year Better?
Comprehensive	1995	\$8.53	\$8.58	\$8.21	0.039	0.045	Yes
	1996	8.21	8.14	8.99	-0.087	-0.095	Yes
	1997	8.99	8.95	7.99	0.125	0.120	No
	1998	7.99	8.34	10.56	-0.243	-0.210	No
	1999	10.56	9.03	11.71	-0.098	-0.229	Yes
	2000	11.71	10.24	13.33	-0.122	-0.232	Yes
	2001	13.33	11.61	13.12	0.016	-0.115	Yes
	2002	13.12	12.51	12.65	0.037	-0.011	No
	2003	12.65	12.93	13.32	-0.050	-0.029	No
	2004	13.32	12.67	14.79	-0.099	-0.143	Yes
	2005	14.79	14.69	13.81	0.071	0.064	No
	2006	13.81	14.37	14.09	-0.020	0.020	Tie
	2007	14.09	14.36	16.59	-0.151	-0.134	No
2008	16.59	14.89					
	Average Absolute Value				0.089	0.111	6/6/1
Collision	1995	\$17.12	\$18.95	\$16.25	0.054	0.166	Yes
	1996	16.25	16.85	18.16	-0.105	-0.072	No
	1997	18.16	18.13	15.91	0.141	0.140	Tie
	1998	15.91	16.90	21.72	-0.267	-0.222	No
	1999	21.72	18.17	24.60	-0.117	-0.261	Yes
	2000	24.60	21.08	27.37	-0.101	-0.230	Yes
	2001	27.37	24.09	26.89	0.018	-0.104	Yes
	2002	26.89	25.89	26.58	0.012	-0.026	Yes
	2003	26.58	26.86	27.82	-0.045	-0.035	No
	2004	27.82	26.40	32.37	-0.141	-0.184	Yes
	2005	32.37	31.95	32.60	-0.007	-0.020	Yes
	2006	32.60	32.01	32.93	-0.010	-0.028	Yes
	2007	32.93	32.75	38.07	-0.135	-0.140	No
2008	38.07	34.62					
	Average Absolute Value				0.089	0.125	8/4/1

Data Source: NCRB Personal Auto Rate Filings
Note: Tie if absolute difference less than .005

Personal Auto
North Carolina

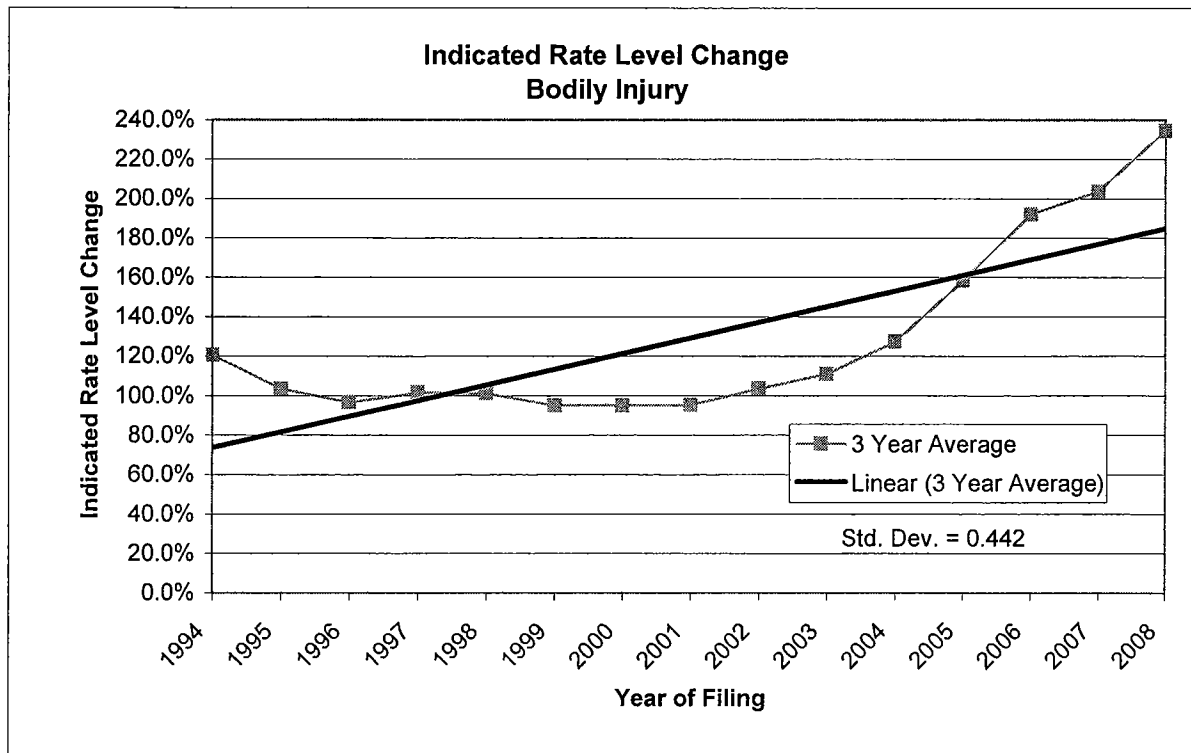
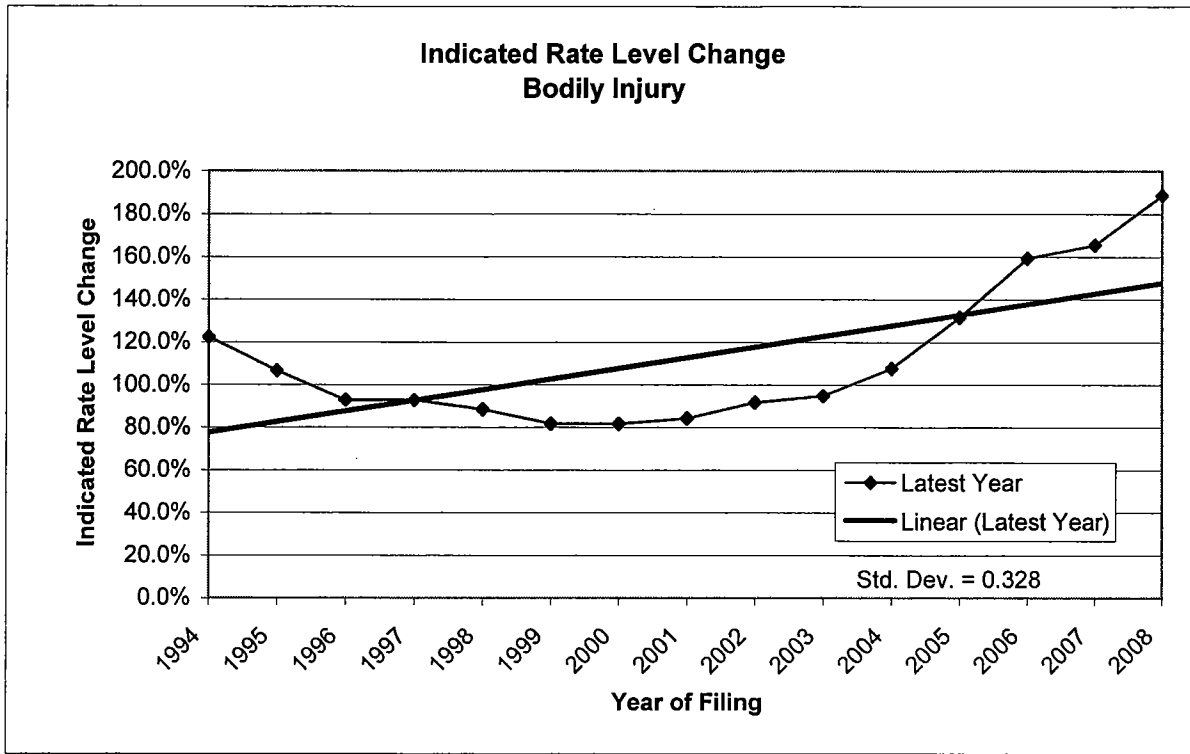
Indicated Rate Level Changes

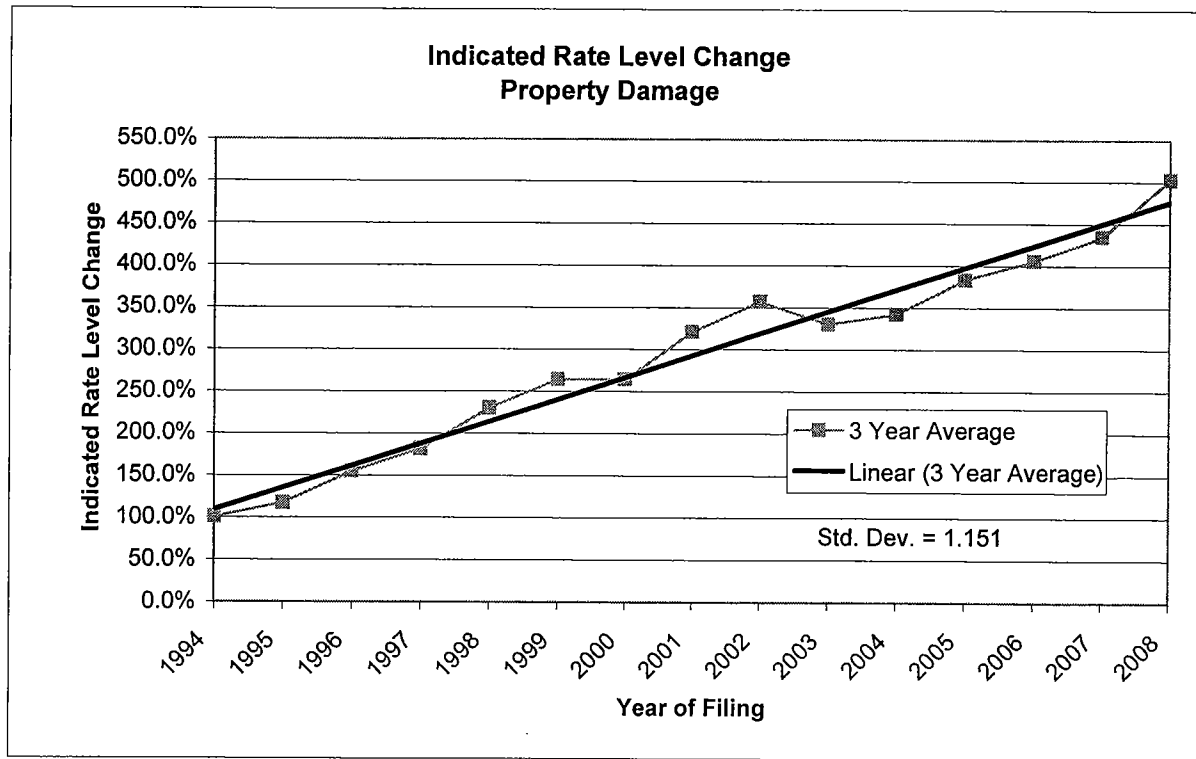
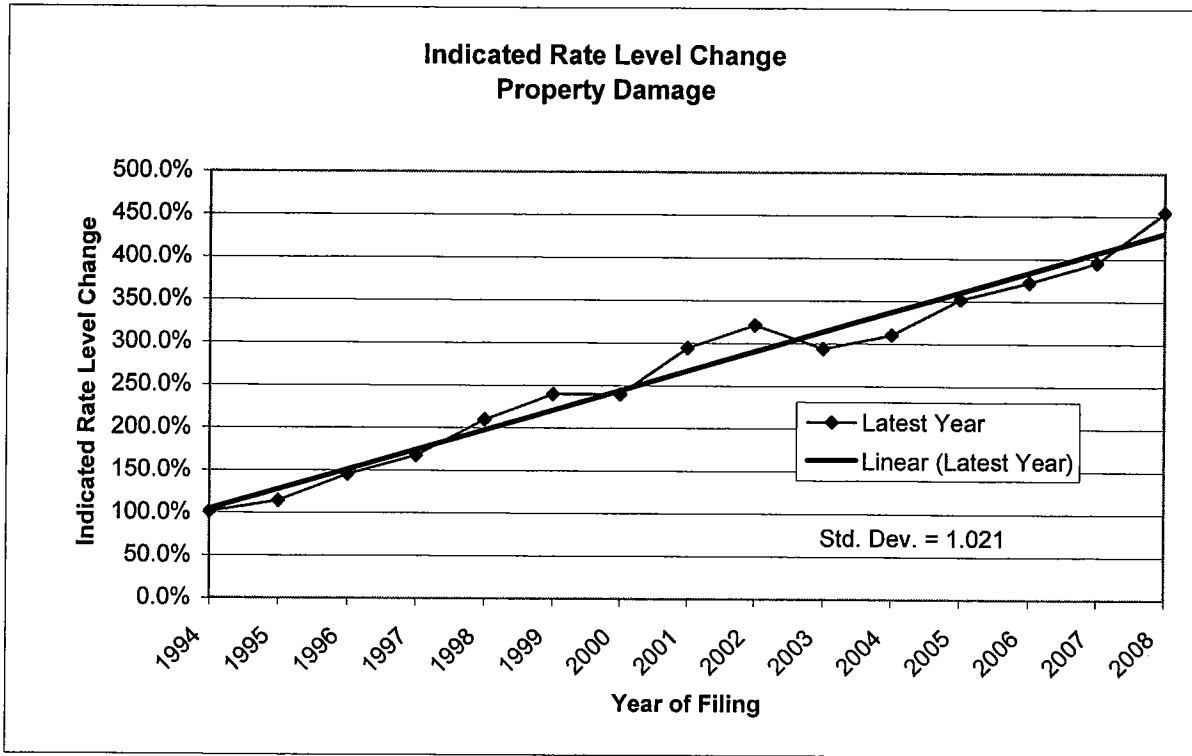
Year of Filing/Review	Latest Year					3-Year Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	22.4%	1.3%	13.7%	-6.8%	-3.7%	20.6%	0.6%	12.5%	-10.7%	-5.2%
1995	-12.9%	12.9%	-4.1%	36.1%	23.2%	-14.2%	16.4%	-2.3%	32.7%	25.2%
1996	-12.9%	27.2%	-2.1%	15.2%	25.7%	-6.7%	32.3%	2.7%	15.6%	26.0%
1997	-0.2%	15.1%	5.8%	-2.3%	8.8%	5.3%	17.3%	7.2%	-5.2%	10.7%
1998	-4.5%	25.4%	3.2%	9.4%	8.6%	-0.5%	26.7%	2.6%	3.6%	5.5%
1999	-7.7%	14.2%	2.8%	-13.9%	-11.6%	-6.0%	14.8%	3.7%	-17.6%	-13.9%
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	3.2%	22.7%	9.6%	13.3%	12.3%	0.2%	21.4%	7.0%	5.5%	8.5%
2002	8.9%	9.1%	14.8%	3.5%	4.4%	8.7%	11.2%	17.7%	7.3%	5.7%
2003	3.3%	-8.4%	2.7%	-24.1%	-16.4%	7.1%	-7.5%	4.2%	-19.7%	-12.1%
2004	13.6%	5.5%	15.5%	12.9%	14.2%	14.9%	3.7%	16.7%	4.9%	14.7%
2005	22.2%	13.5%	10.6%	4.5%	-4.0%	24.3%	12.1%	10.4%	-0.2%	-0.2%
2006	21.0%	5.7%	8.1%	-12.0%	-1.5%	21.3%	5.7%	8.7%	-6.0%	0.3%
2007	3.9%	6.3%	4.4%	-9.0%	2.3%	6.1%	7.2%	4.9%	-7.8%	1.5%
2008	14.0%	14.8%	9.3%	0.6%	12.1%	15.0%	15.6%	4.6%	-9.0%	12.5%

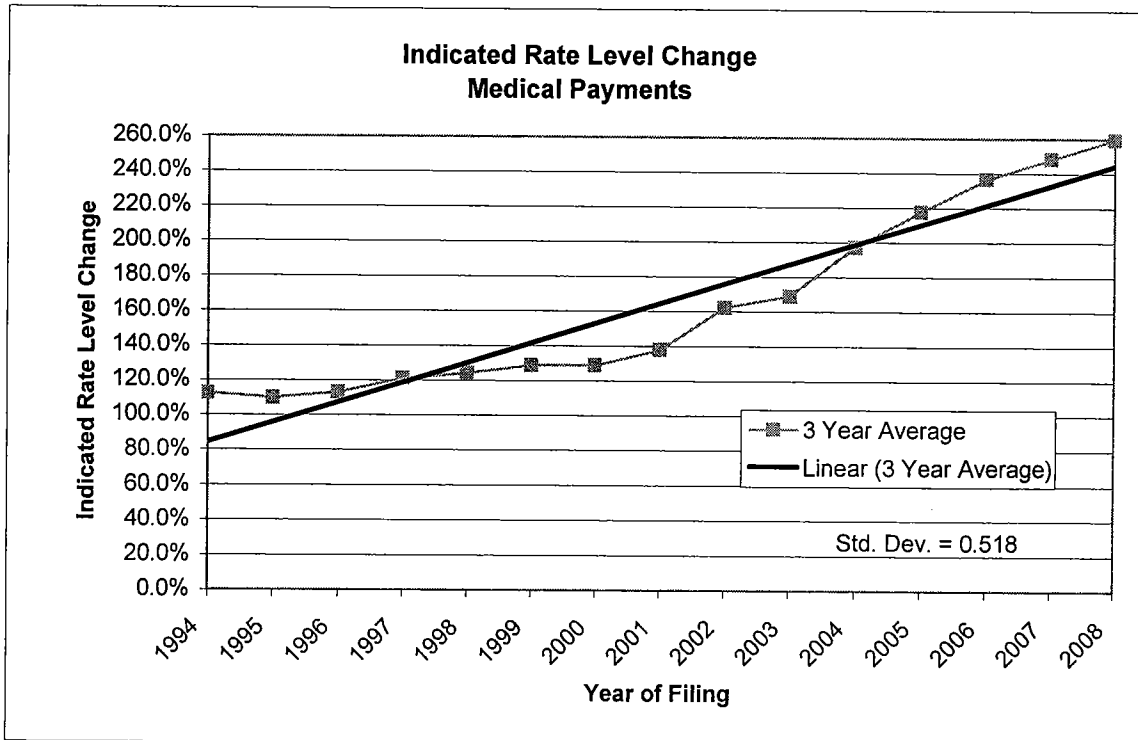
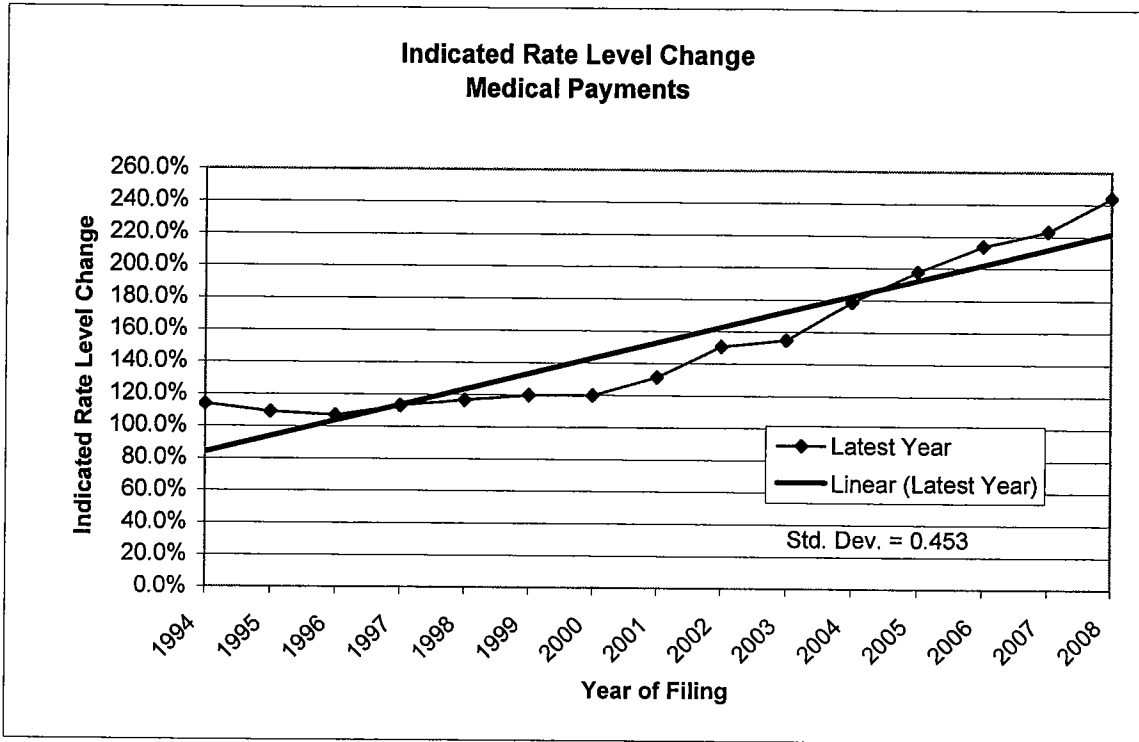
Personal Auto
North Carolina

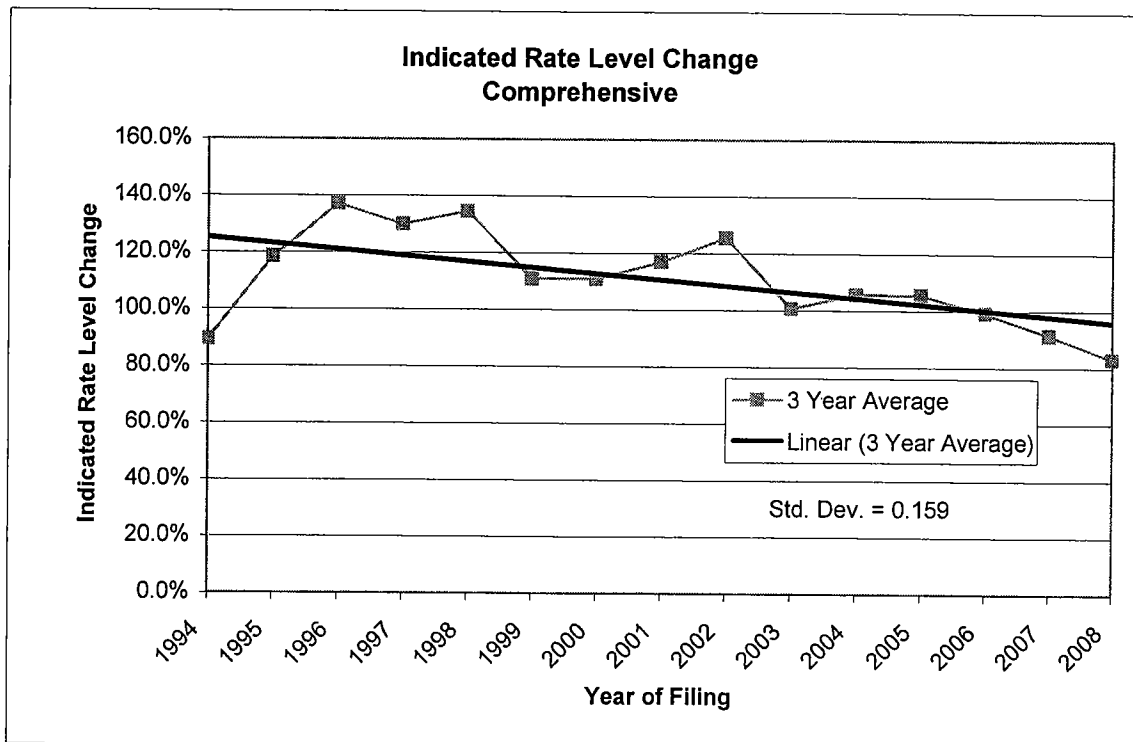
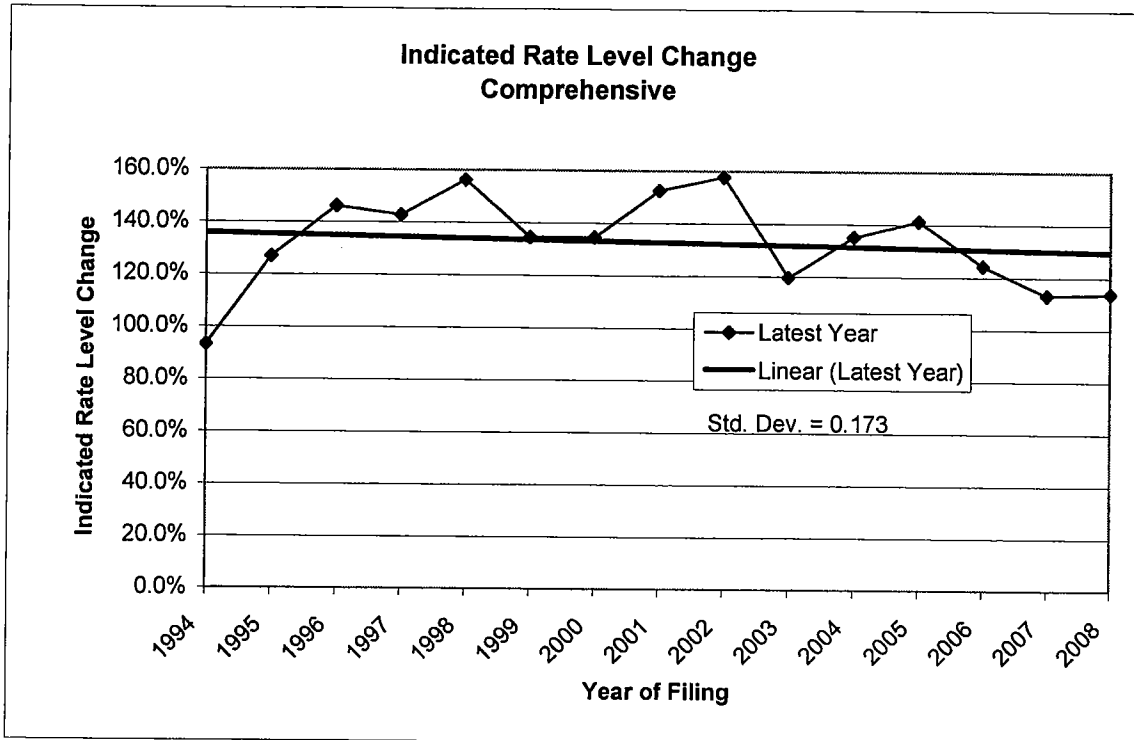
Cumulative Rate Level Indices

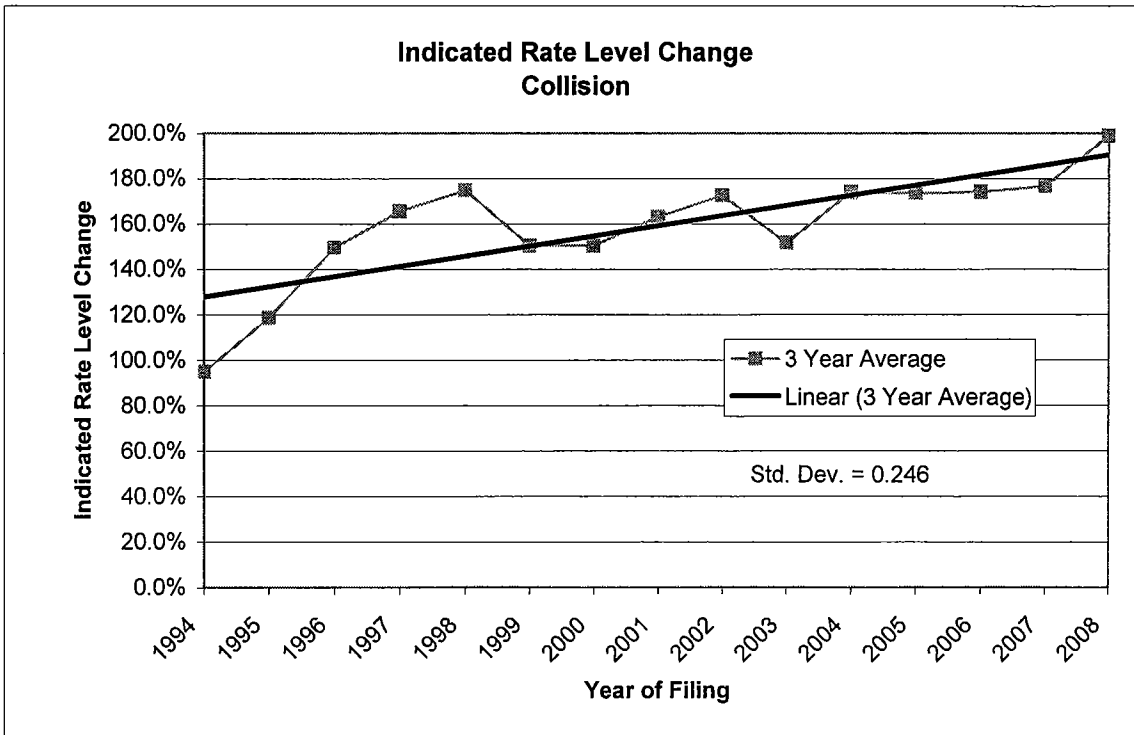
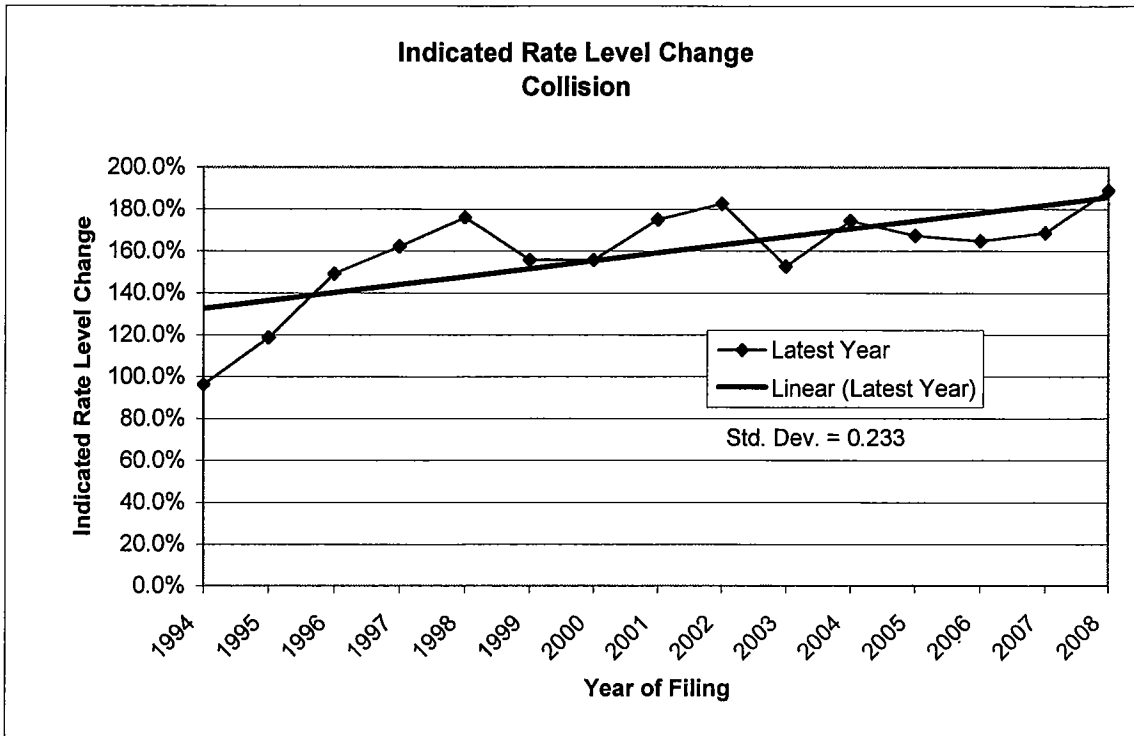
Year of Filing/Review	Latest Year					3-Year Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	1.224	1.013	1.137	0.932	0.963	1.206	1.006	1.125	0.893	0.948
1995	1.066	1.144	1.090	1.268	1.186	1.035	1.171	1.099	1.185	1.187
1996	0.929	1.455	1.067	1.461	1.491	0.965	1.549	1.129	1.370	1.495
1997	0.927	1.674	1.129	1.428	1.623	1.017	1.817	1.210	1.299	1.656
1998	0.885	2.100	1.166	1.562	1.762	1.012	2.302	1.242	1.345	1.747
1999	0.817	2.398	1.198	1.345	1.558	0.951	2.643	1.287	1.109	1.504
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	0.843	2.942	1.313	1.524	1.749	0.953	3.209	1.378	1.170	1.632
2002	0.918	3.210	1.508	1.577	1.826	1.036	3.568	1.621	1.255	1.725
2003	0.948	2.940	1.548	1.197	1.527	1.109	3.301	1.690	1.008	1.516
2004	1.077	3.102	1.788	1.351	1.744	1.274	3.423	1.972	1.057	1.739
2005	1.316	3.521	1.978	1.412	1.674	1.584	3.837	2.177	1.055	1.735
2006	1.593	3.721	2.138	1.243	1.649	1.921	4.056	2.366	0.992	1.741
2007	1.655	3.956	2.232	1.131	1.687	2.039	4.348	2.482	0.914	1.767
2008	1.887	4.541	2.440	1.138	1.891	2.344	5.026	2.596	0.832	1.987











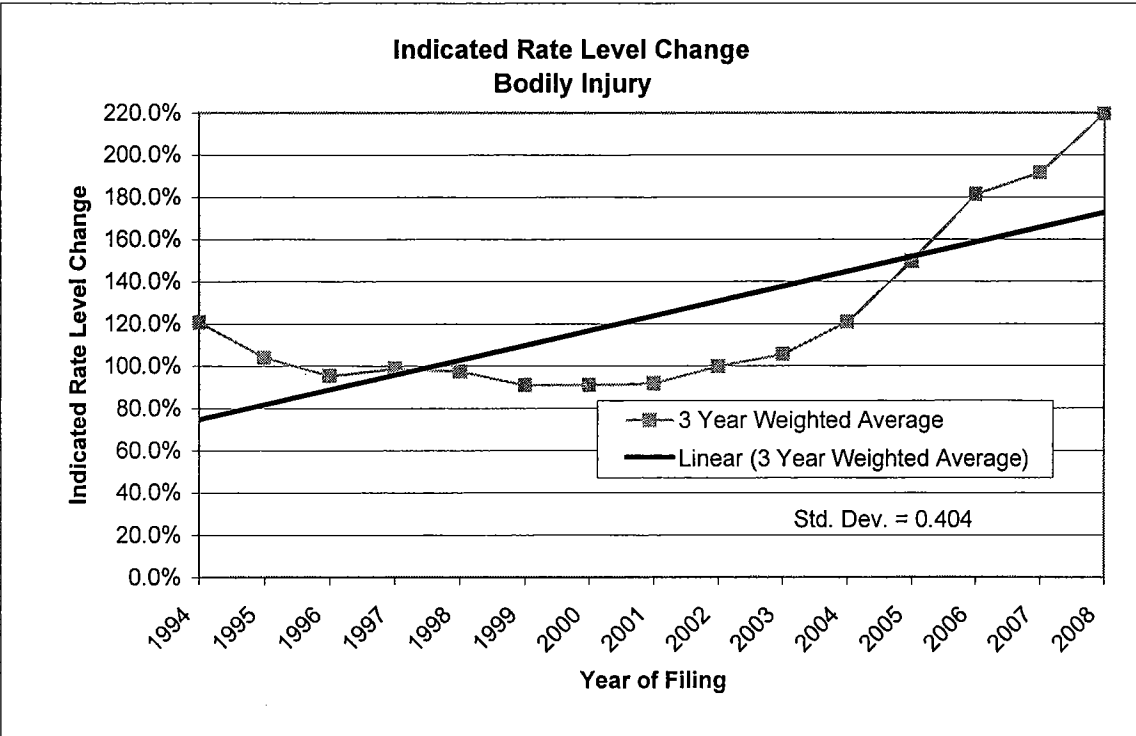
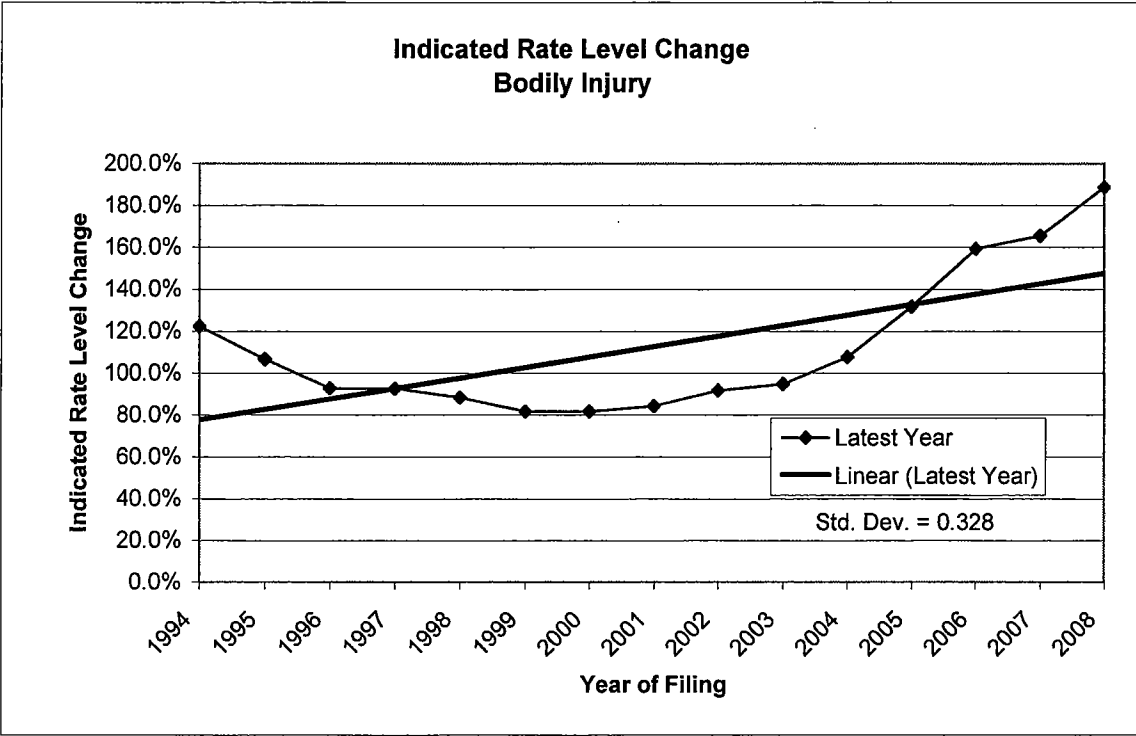
Personal Auto
North Carolina

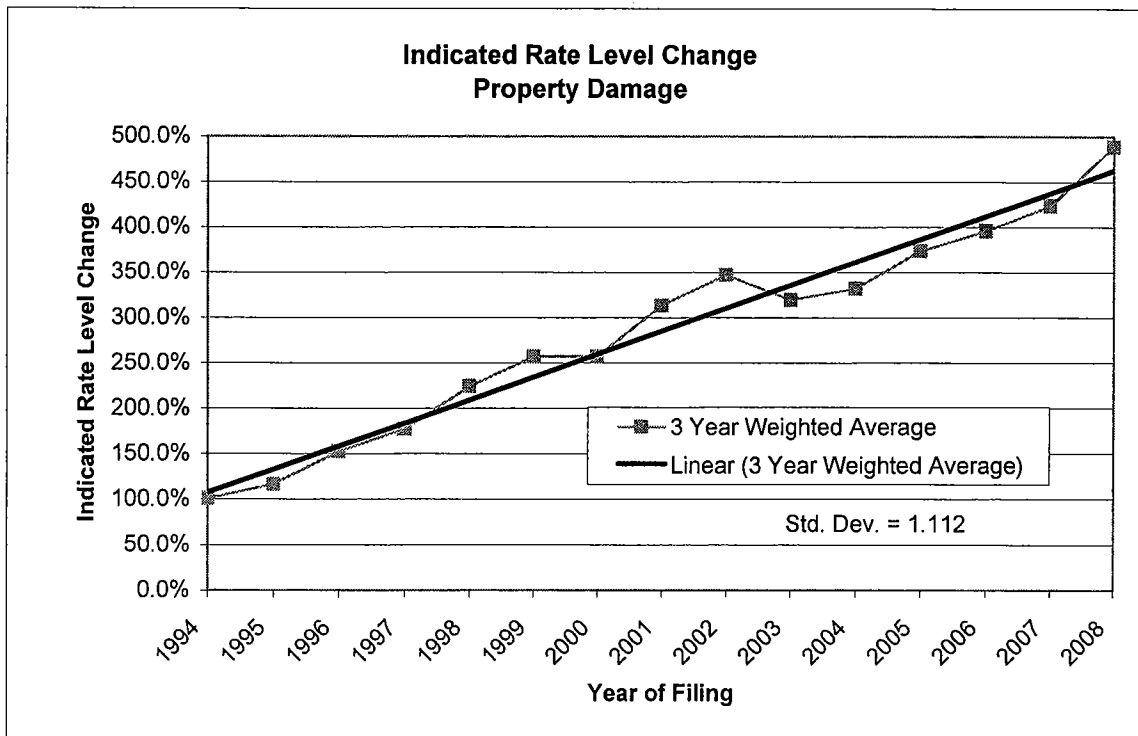
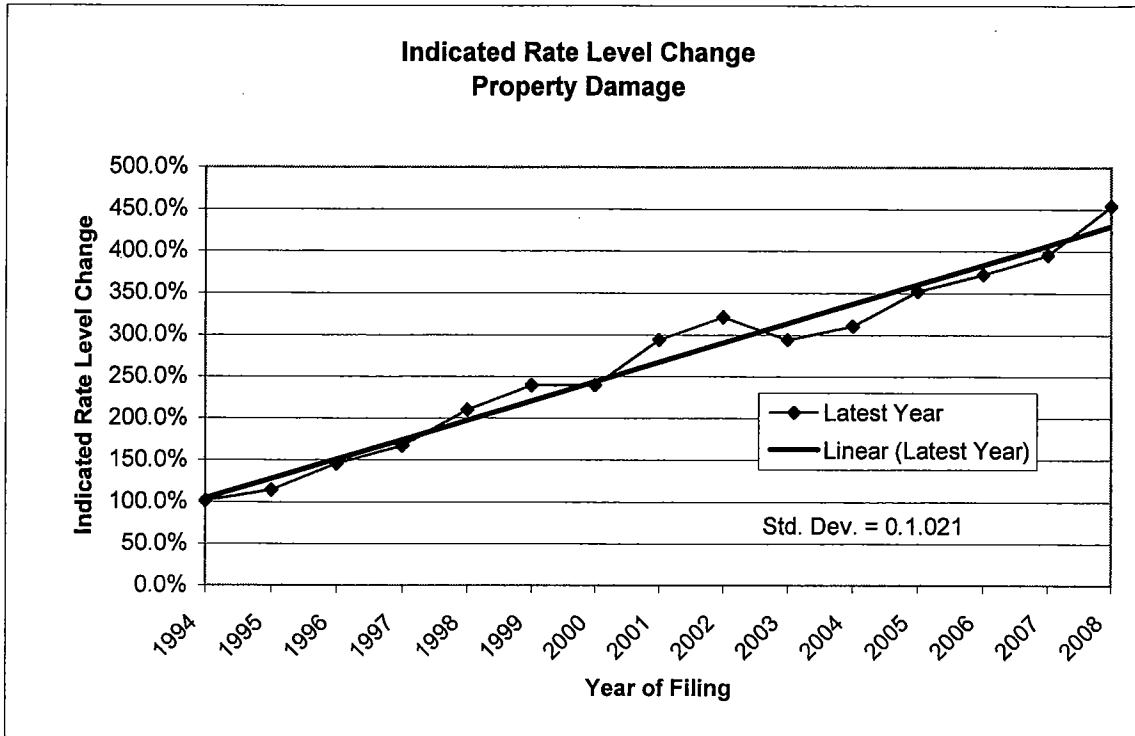
Indicated Rate Level Changes

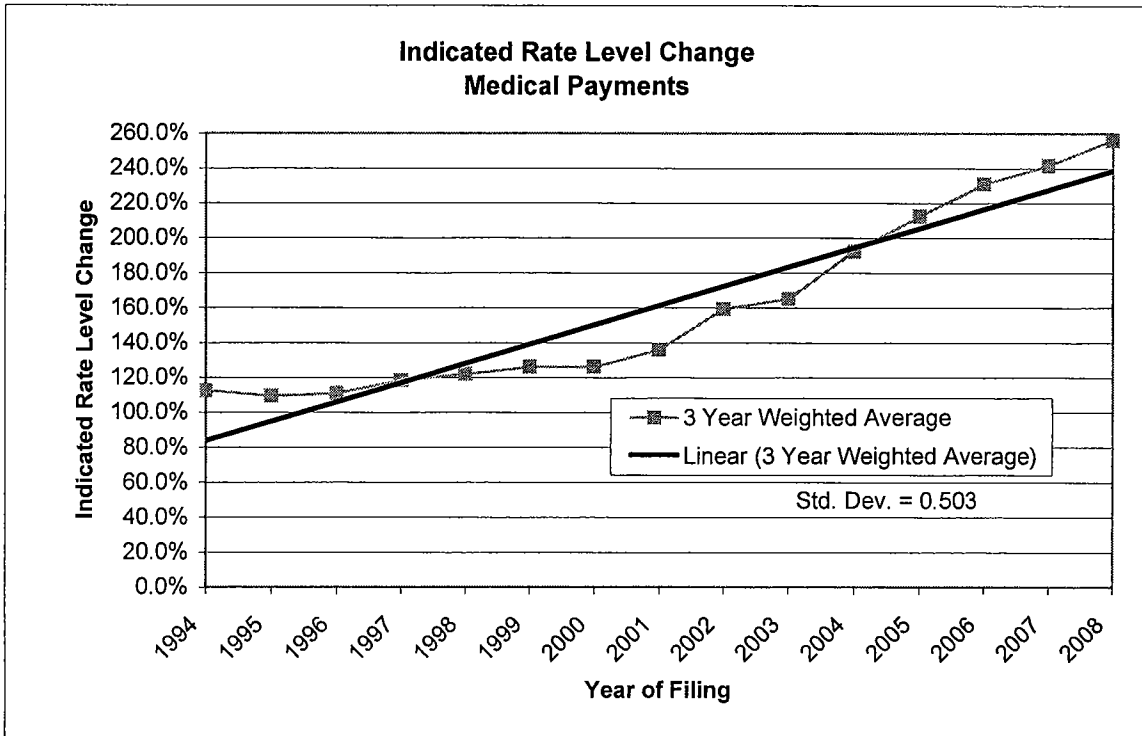
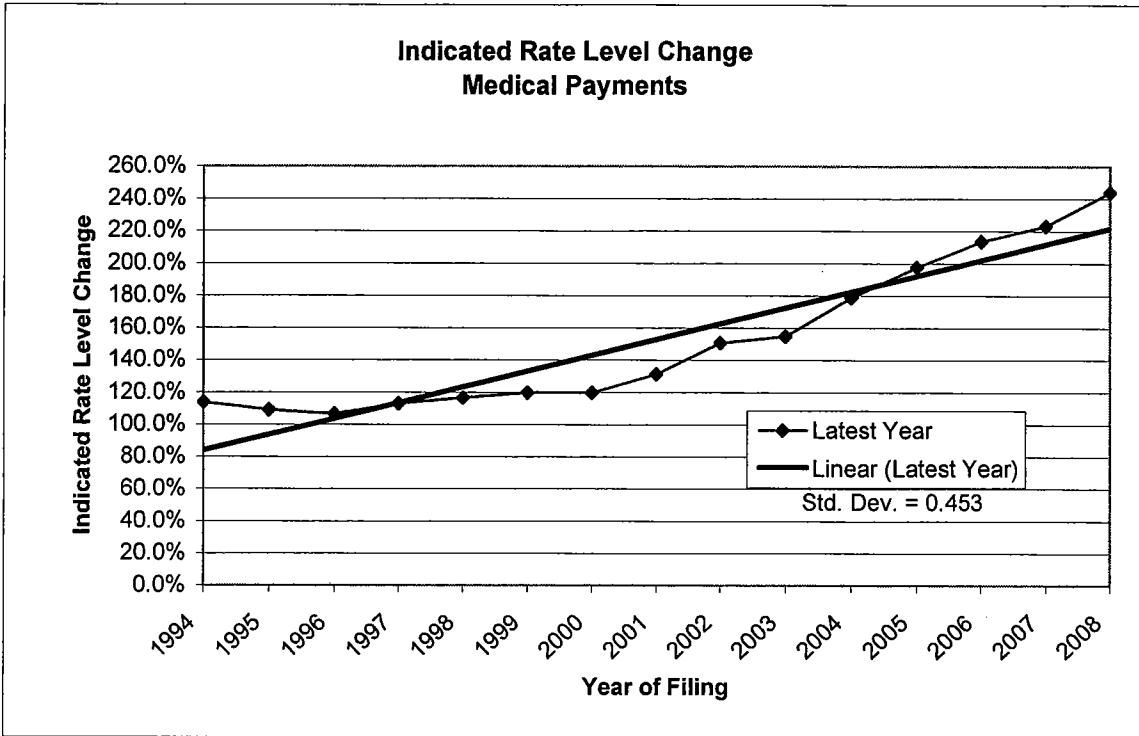
Year of Filing/Review	Latest Year					3-Year Weighted Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	22.4%	1.3%	13.7%	-6.8%	-3.7%	20.7%	0.7%	12.6%	-9.9%	-4.7%
1995	-12.9%	12.9%	-4.1%	36.1%	23.2%	-13.8%	15.6%	-2.7%	34.1%	24.7%
1996	-12.9%	27.2%	-2.1%	15.2%	25.7%	-8.4%	30.8%	1.4%	15.3%	25.7%
1997	-0.2%	15.1%	5.8%	-2.3%	8.8%	3.6%	16.5%	6.6%	-4.6%	10.3%
1998	-4.5%	25.4%	3.2%	9.4%	8.6%	-1.5%	26.3%	2.9%	5.4%	6.1%
1999	-7.7%	14.2%	2.8%	-13.9%	-11.6%	-6.5%	14.7%	3.5%	-16.5%	-13.1%
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	3.2%	22.7%	9.6%	13.3%	12.3%	0.8%	22.0%	7.7%	7.9%	9.5%
2002	8.9%	9.1%	14.8%	3.5%	4.4%	8.8%	10.7%	17.2%	6.8%	5.6%
2003	3.3%	-8.4%	2.7%	-24.1%	-16.4%	5.9%	-7.9%	3.7%	-21.2%	-13.3%
2004	13.6%	5.5%	15.5%	12.9%	14.2%	14.4%	3.9%	16.5%	6.7%	14.3%
2005	22.2%	13.5%	10.6%	4.5%	-4.0%	23.8%	12.5%	10.5%	1.5%	-1.0%
2006	21.0%	5.7%	8.1%	-12.0%	-1.5%	21.3%	5.9%	8.7%	-7.3%	-0.4%
2007	3.9%	6.3%	4.4%	-9.0%	2.3%	5.6%	7.0%	4.6%	-8.6%	1.7%
2008	14.0%	14.8%	9.3%	0.6%	12.1%	14.7%	15.4%	6.0%	-2.1%	4.2%

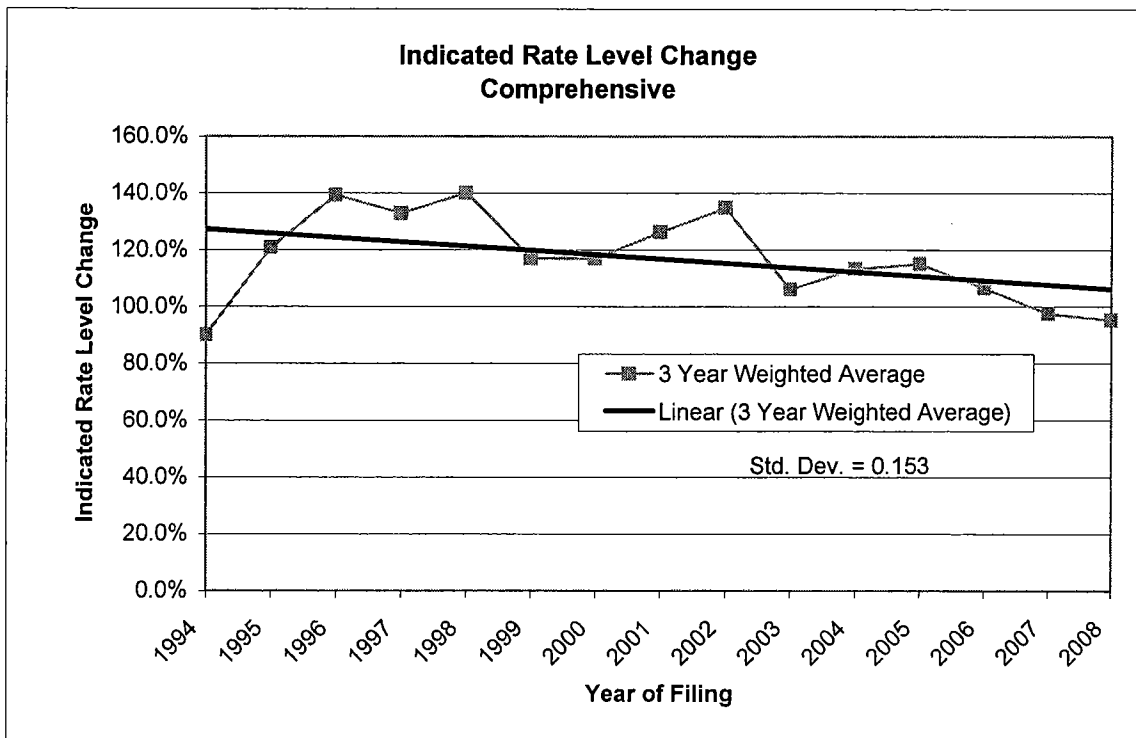
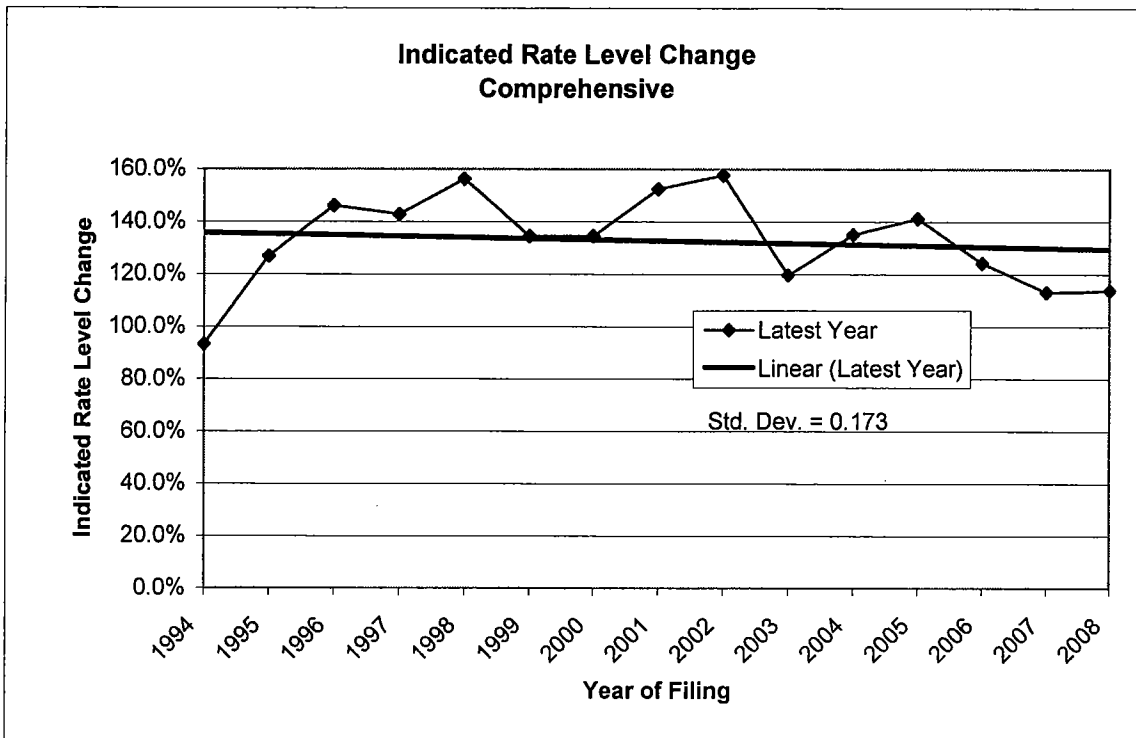
Personal Auto
North Carolina
Cumulative Rate Level Indices

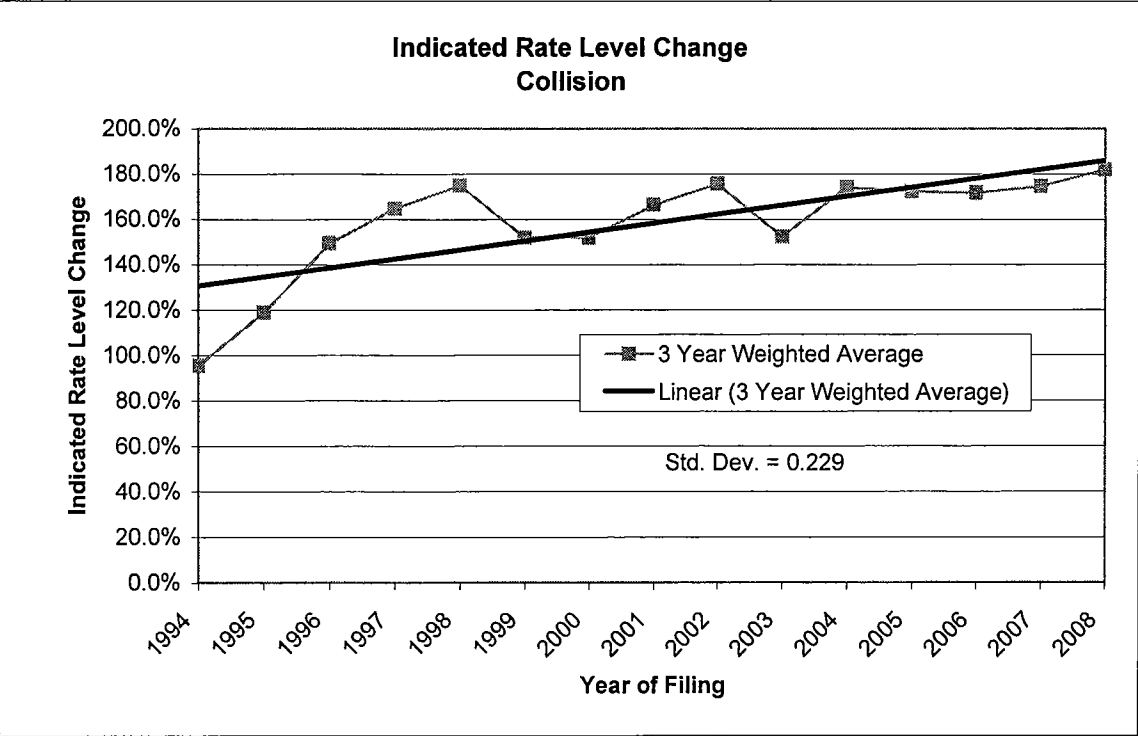
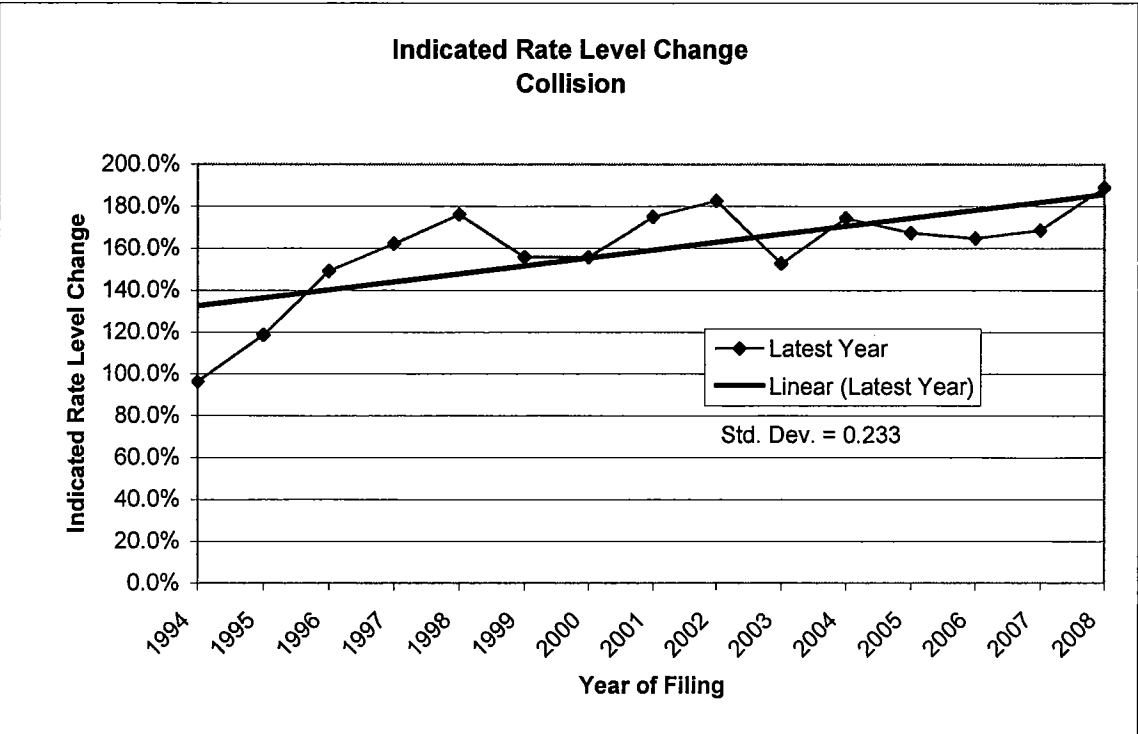
Year of Filing/Review	Latest Year					3-Year Weighted Average				
	BI	PD	MPC	Comp	Coll	BI	PD	MPC	Comp	Coll
1994	1.224	1.013	1.137	0.932	0.963	1.207	1.007	1.126	0.901	0.953
1995	1.066	1.144	1.090	1.268	1.186	1.040	1.164	1.096	1.208	1.188
1996	0.929	1.455	1.067	1.461	1.491	0.953	1.523	1.111	1.393	1.494
1997	0.927	1.674	1.129	1.428	1.623	0.987	1.774	1.184	1.329	1.648
1998	0.885	2.100	1.166	1.562	1.762	0.973	2.240	1.219	1.401	1.748
1999	0.817	2.398	1.198	1.345	1.558	0.909	2.570	1.261	1.170	1.519
2000	NOT AVAILABLE					NOT AVAILABLE				
2001	0.843	2.942	1.313	1.524	1.749	0.917	3.135	1.358	1.262	1.663
2002	0.918	3.210	1.508	1.577	1.826	0.997	3.471	1.592	1.348	1.757
2003	0.948	2.940	1.548	1.197	1.527	1.056	3.196	1.651	1.062	1.523
2004	1.077	3.102	1.788	1.351	1.744	1.208	3.321	1.923	1.133	1.741
2005	1.316	3.521	1.978	1.412	1.674	1.496	3.736	2.125	1.150	1.723
2006	1.593	3.721	2.138	1.243	1.649	1.814	3.957	2.310	1.066	1.716
2007	1.655	3.956	2.232	1.131	1.687	1.916	4.234	2.416	0.975	1.746
2008	1.887	4.541	2.440	1.138	1.891	2.198	4.885	2.561	0.954	1.819











SCENARIO I

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$250.00	\$200.00	Yes	\$31.63
Voluntary	Driver 2	\$250.00	\$250.00	\$250.00	Yes	\$31.63
Voluntary	Driver 3	\$300.00	\$250.00	\$250.00	No	\$31.63
Clean	Driver 4	\$460.00	\$250.00	\$250.00	No	\$31.63
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$83.49
	TOTAL	\$1,870.00	\$1,660.00	\$1,610.00	No	\$210.01

Clean Risk Recoupment = 0.1265 of Manual Rates

* Assumes that insurers deviate on Driver 1 because of individual loss and expense experience and that Drivers 3 and 4 are capped at the manual rate in the voluntary market.

Observations:

- Manual Rate based solely on voluntary experience (Drivers 1, 2, and 3).
- Market not fully funded because amount paid (\$1,610 + \$210) does not equal indicated rate (\$1,870).
- Insurers will tend to cede Driver 3, leading to Scenario II.

SCENARIO II

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$225.00	\$200.00	Yes	\$44.71
Voluntary	Driver 2	\$250.00	\$225.00	\$225.00	No	\$44.71
Clean	Driver 3	\$300.00	\$225.00	\$225.00	No	\$44.71
Clean	Driver 4	\$460.00	\$225.00	\$225.00	No	\$44.71
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$131.14
	TOTAL	\$1,870.00	\$1,560.00	\$1,535.00	No	\$309.98

Clean Risk Recoupment = 0.1987 of Manual Rates

* Assumes that insurers deviate on Driver 1 because of individual loss and expense experience and that Drivers 2, 3 and 4 are capped at the manual rate in the voluntary market.

Observations:

- Manual Rate based solely on voluntary experience (i.e., Drivers 1 and 2).
- Size of residual market grew.
- Clean risk recoupment increased from .1265 to .1987.
- Market not fully funded because amount paid (\$1,535 + \$310) does not equal indicated rate (\$1,870).
- Shortfall in funding reduced from \$50 to \$25 because risks shifted to Reinsurance Facility where shortfall can be recouped for clean risks.
- Insurers will tend to cede Driver 2, leading to voluntary rates for Driver 1 only and further increase in size of residual market.

SCENARIO III

<u>Market</u>	<u>Driver</u>	<u>Indicated Rate</u>	<u>Manual Rate</u>	<u>Charged Rate*</u>	<u>Rate Adequate</u>	<u>Clean Risk Surcharge</u>
Voluntary	Driver 1	\$200.00	\$302.00	\$200.00	Yes	\$25.55
Voluntary	Driver 2	\$250.00	\$302.00	\$250.00	Yes	\$25.55
Voluntary	Driver 3	\$300.00	\$302.00	\$300.00	Yes	\$25.55
Clean	Driver 4	\$460.00	\$302.00	\$302.00	No	\$25.55
Other than Clean	Driver 5	\$660.00	\$660.00	\$660.00	Yes	\$55.84
	TOTAL	\$1,870.00	\$1,868.00	\$1,712.00	No	\$158.04

Clean Risk Recoupment = 0.0846 of Manual Rates

* Assumes that insurers deviate on Drivers 1 and 2 because of individual loss and expense experience.

Observations:

- Manual Rate based on total market loss and expense experience.
- Market adequately funded and not overfunded – amount paid (\$1,712 + \$158) equals indicated rate (\$1,870).
- Drivers 1, 2 and 3, who have average or better than average exposure, can find coverage in the voluntary market at adequate rates.
- Manual rates will stabilize at a level equal to the total market average, with rate changes dependent solely on changes in expected losses and expenses.

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CHART 9A

Automobile Residual Market as a Percent of the Total Written Premium by Line, 2003

Residual Market Size Relative to Total Market by State and Line

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2003.

State	Rank	2003 Residual Market Written Prem.	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys.Dam.	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys.Dam.	% of state's Total Auto
NEW YORK	1	\$1,014,708,842	11.0	2.2	7.3	1.3	8.0
NORTH CAROLINA	2	\$706,793,690	30.1	0.0	9.8	0.0	15.0
MASSACHUSETTS	3	\$645,811,310	11.1	8.6	26.1	24.4	12.6
NEW JERSEY	4	\$499,000,310	7.4	3.6	12.0	5.2	6.7
MARYLAND	5	\$236,717,353	8.4	4.6	3.3	2.1	6.3
CALIFORNIA	6	\$1,879,263	0.5	0.0	2.2	0.0	0.5
PENNSYLVANIA	7	\$68,829,693	1.1	0.2	0.2	0.5	0.8
MICHIGAN	8	\$3,192,083	0.7	0.5	2.7	0.7	0.6
FLORIDA	9	\$1,492,082	0.4	0.0	1.2	0.1	0.4
VIRGINIA	10	\$5,097,322	0.9	0.5	3.4	1.7	1.9
RHODE ISLAND	11	\$44,749,969	8.8	0.9	5.5	0.0	5.8
TEXAS	12	\$43,210,326	0.6	0.0	0.3	0.0	0.3
CONNECTICUT	13	\$19,101,251	0.7	0.2	2.0	1.4	0.7
HAWAII	14	\$17,086,617	2.2	0.3	9.5	5.3	2.6
NEW HAMPSHIRE	15	\$13,992,417	1.1	0.8	4.5	5.8	1.7
ILLINOIS	16	\$8,157,048	0.4	0.1	0.9	0.1	0.1
LOUISIANA	17	\$7,452,523	0.1	0.0	0.1	0.0	0.2
KENTUCKY	18	\$7,071,785	0.1	0.0	2.3	0.0	0.3
DISTRICT OF COLUMBIA	19	\$6,695,153	2.0	0.0	0.6	0.0	2.0
VERMONT	20	\$5,673,406	0.7	0.5	3.8	1.7	1.5
DELAWARE	21	\$4,005,568	0.2	0.1	3.1	2.1	0.6
ALASKA	22	\$3,948,191	0.9	0.4	2.6	0.0	0.9
WISCONSIN	23	\$3,564,150	0.0	0.0	0.9	0.0	0.1
KANSAS	24	\$3,174,516	0.2	0.0	0.8	0.3	0.2
MISSOURI	25	\$3,022,951	0.0	0.0	0.7	0.0	0.1
OKLAHOMA	26	\$2,586,247	0.0	0.0	0.8	0.0	0.1
WEST VIRGINIA	27	\$2,574,456	0.1	0.0	1.5	0.0	0.2
SOUTH CAROLINA	28	\$2,016,173	0.0	0.0	0.7	0.1	0.1
MAINE	29	\$1,862,453	0.1	0.0	1.2	0.8	0.2
MINNESOTA	30	\$1,724,698	0.0	0.0	0.4	0.0	0.0
TENNESSEE	31	\$1,698,592	0.0	0.0	0.3	0.0	0.1
ARIZONA	32	\$1,352,138	0.0	0.0	0.3	0.0	0.0
MISSISSIPPI	33	\$1,285,031	0.1	0.0	0.3	0.2	0.1
GEORGIA	34	\$1,125,513	0.0	0.0	0.1	0.1	0.0
INDIANA	35	\$708,122	0.0	0.0	0.2	0.0	0.0
SOUTH DAKOTA	36	\$693,961	0.0	0.0	1.1	0.0	0.2
NEW MEXICO	37	\$608,595	0.0	0.0	0.3	0.0	0.1
MONTANA	38	\$594,602	0.1	0.0	0.2	0.0	0.1
ALABAMA	39	\$367,649	0.0	0.0	0.3	0.0	0.0
COLORADO	40	\$355,027	0.0	0.0	0.1	0.0	0.0
WYOMING	41	\$328,978	0.0	0.0	0.7	0.0	0.1
NEVADA	42	\$318,952	0.0	0.0	0.1	0.0	0.0
IOWA	43	\$299,332	0.0	0.0	0.1	0.0	0.0
WASHINGTON	44	\$273,881	0.0	0.0	0.1	0.0	0.0
NEBRASKA	45	\$242,454	0.0	0.0	0.1	0.0	0.0
NORTH DAKOTA	46	\$181,586	0.0	0.0	0.3	0.0	0.0
UTAH	47	\$176,886	0.0	0.0	0.1	0.0	0.0
OHIO	48	\$137,400	0.0	0.0	0.0	0.0	0.0
IDAHO	49	\$10,255	0.0	0.0	0.0	0.0	0.0
OREGON	50	\$105,708	0.0	0.0	0.0	0.0	0.0
ARKANSAS	51	\$58,449	0.0	0.0	0.0	0.0	0.0
COUNTRYWIDE		3,624,066,682	2.7	0.6	3.1	1.1	2.0

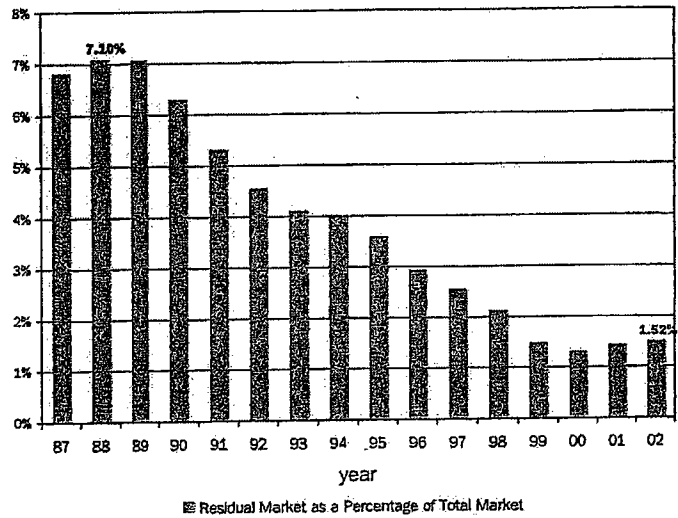
*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction.

Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1987 through 2002.

CHART 10B
PPNF Liability Insurance Residual Market
As a Percentage of the Total Market

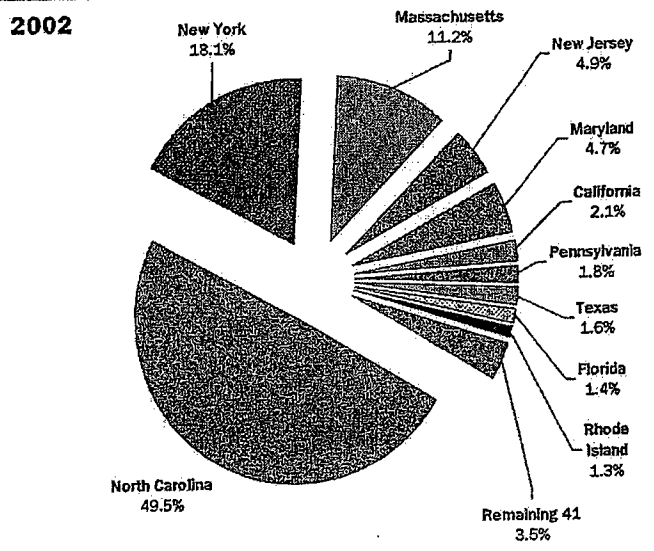


Market Concentration

Approximately 96.5% of the total private passenger nonfleet residual market business for 2002 was concentrated in ten states, each of which exceeded 33,000 insured car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2002.

CHART 10C
Concentration of PPNF Liability Car Years Written



Ranking by State

In 2002, North Carolina remained the only state to develop a population of more than one million car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

**Chart 10D
PPNF Liability Car Years, 2002**

Rank	Jurisdiction	Amount	% of Total
1	North Carolina	2,270,522	43.15%
2	New York	1,022,263	19.21%
3	Mississippi	702,422	13.23%
4	South Carolina	311,162	5.82%
5	Massachusetts	227,826	4.29%
6	California	155,322	2.88%
7	Pennsylvania	131,640	2.46%
8	Texas	125,574	2.34%
9	Illinois	120,480	2.25%
10	Rhode Island	115,366	2.16%
	Total of 10 Jurisdictions	2,681,475	50.52%
	Remaining 41	2,573,601	48.48%
	Total	5,255,076	100.00%

Largest Changes in Size

In 2002, 34 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

**Chart 10E
Top Five Increases in Residual Market PPNF Liability Car Years, 2002**

Jurisdiction	Number Increased	Percent Change
New York	127,735	11.63%
North Carolina	61,363	4.19%
New Jersey	39,257	23.74%
Maryland	22,623	12.57%
California	21,646	14.32%

In 2002, 17 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 1998 through 2002 are shown.

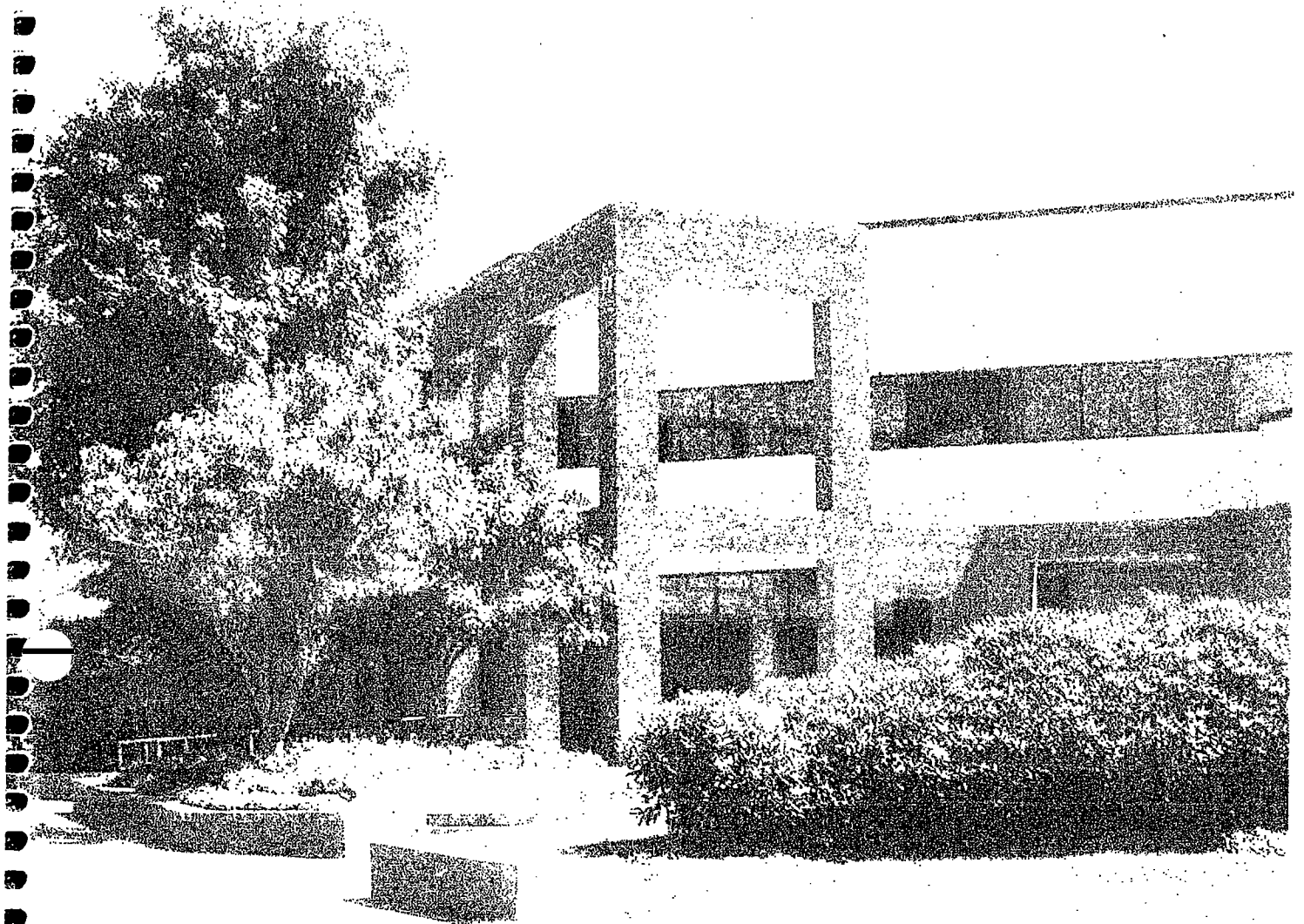
Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

**Chart 10F
Top Five Decreases in Residual Market PPNF Liability Car Years, 2002**

Jurisdiction	Number Decreased	Percent Change
Florida	233,347	-27.89%
South Carolina	28,047	-38.42%
Hawaii	21,570	-14.19%
Massachusetts	11,107	-10.41%
Mississippi	9,243	-10.43%

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CHART 9A

Automobile Residual Market as a Percent of the Total Written Premium by Line, 2005

Residual Market Size Relative to Total Market by State and Line

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2005.

State	Rank	2005 Residual Market Written Prem.	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys.Dam.	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys.Dam.	% of state's Total Auto
NORTH CAROLINA	1	\$746,997,442	29.9	0.0	11.6	0.0	15.1
MASSACHUSETTS	2	\$620,237,928	9.9	7.5	24.7	27.8	11.5
NEW YORK	3	\$509,130,199	5.1	0.8	6.8	0.8	4.1
NEW JERSEY	4	\$359,788,473	5.0	2.3	9.7	3.4	4.9
MARYLAND	5	\$191,667,144	6.4	2.8	3.7	2.1	4.7
CALIFORNIA	6	\$73,861,420	0.2	0.0	2.2	0.0	0.3
RHODE ISLAND	7	\$42,218,074	7.5	0.4	5.5	0.7	5.1
PENNSYLVANIA	8	\$41,122,045	0.8	0.1	0.6	0.3	0.5
VIRGINIA	9	\$27,849,943	0.4	0.2	2.9	1.0	0.6
MICHIGAN	10	\$25,823,728	0.2	0.1	2.7	0.4	0.4
TEXAS	11	\$19,778,819	0.2	0.0	0.2	0.0	0.1
HAWAII	12	\$17,215,938	1.5	0.2	9.7	6.3	2.3
CONNECTICUT	13	\$12,505,394	0.3	0.1	2.0	0.8	0.4
NEW HAMPSHIRE	14	\$9,161,869	0.7	0.5	3.9	2.6	1.1
KENTUCKY	15	\$6,840,022	0.0	0.0	2.1	0.0	0.3
FLORIDA	16	\$6,310,232	0.0	0.0	0.4	0.0	0.0
ILLINOIS	17	\$6,116,267	0.1	0.0	0.2	0.1	0.1
LOUISIANA	18	\$5,985,202	0.0	0.0	1.2	0.0	0.2
DISTRICT OF COLUMBIA	19	\$5,454,785	1.4	0.6	8.2	0.0	1.8
VERMONT	20	\$4,151,361	1.1	0.2	3.2	1.8	1.0
KANSAS	21	\$2,903,321	0.2	0.0	0.6	0.2	0.2
DELAWARE	22	\$2,691,755	0.1	0.0	2.3	0.6	0.4
WISCONSIN	23	\$2,591,248	0.0	0.0	0.7	0.0	0.1
MINNESOTA	24	\$2,418,221	0.0	0.0	0.7	0.0	0.1
WEST VIRGINIA	25	\$2,369,709	0.1	0.0	1.3	0.0	0.2
ALASKA	26	\$2,175,210	0.4	0.2	1.5	0.1	0.5
MISSISSIPPI	27	\$2,048,771	0.0	0.0	0.7	0.0	0.1
INDIANA	28	\$2,021,882	0.0	0.0	0.4	0.0	0.1
TENNESSEE	29	\$1,661,141	0.0	0.0	0.4	0.0	0.1
OKLAHOMA	30	\$1,221,402	0.0	0.0	0.4	0.0	0.1
MAINE	31	\$1,010,770	0.1	0.0	0.5	0.1	0.1
SOUTH CAROLINA	32	\$806,846	0.0	0.0	0.3	0.1	0.0
SOUTH DAKOTA	33	\$798,900	0.0	0.0	1.4	0.0	0.2
MISSOURI	34	\$732,220	0.0	0.0	0.1	0.0	0.0
NEBRASKA	35	\$713,769	0.0	0.0	0.5	0.0	0.1
GEORGIA	36	\$514,911	0.0	0.0	0.1	0.0	0.0
WYOMING	37	\$493,723	0.0	0.0	0.9	0.0	0.1
NEVADA	38	\$430,184	0.0	0.0	0.2	0.0	0.0
NEW MEXICO	39	\$388,790	0.0	0.0	0.1	0.0	0.0
ALABAMA	40	\$295,849	0.0	0.0	0.1	0.0	0.0
ARKANSAS	41	\$257,198	0.0	0.0	0.1	0.0	0.0
OHIO	42	\$245,233	0.0	0.0	0.0	0.0	0.0
MONTANA	43	\$237,201	0.1	0.0	0.0	0.0	0.0
IOWA	44	\$236,689	0.0	0.0	0.1	0.0	0.0
ARIZONA	45	\$228,193	0.0	0.0	0.0	0.0	0.0
WASHINGTON	46	\$219,763	0.0	0.0	0.1	0.0	0.0
COLORADO	47	\$213,712	0.0	0.0	0.1	0.0	0.0
OREGON	48	\$149,658	0.0	0.0	0.0	0.0	0.0
UTAH	49	\$134,604	0.0	0.0	0.1	0.0	0.0
NORTH DAKOTA	50	\$107,052	0.0	0.0	0.2	0.0	0.0
IDAHO	51	\$39,848	0.0	0.0	0.0	0.0	0.0
COUNTRYWIDE		2,762,428,948	1.9	0.4	2.8	0.9	1.4

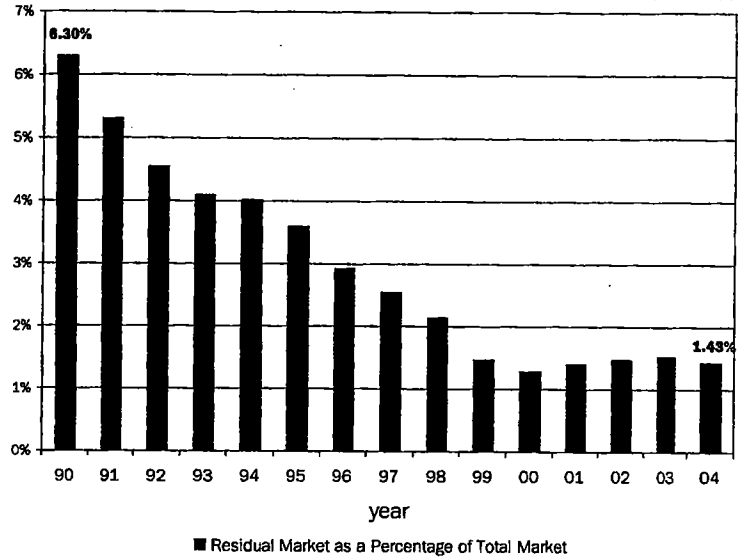
*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction.

Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1990 through 2004.

CHART 10B
PPNF Liability Insurance Residual Market
as a Percentage of the Total Market (of all jurisdictions reporting data to AIPSO)

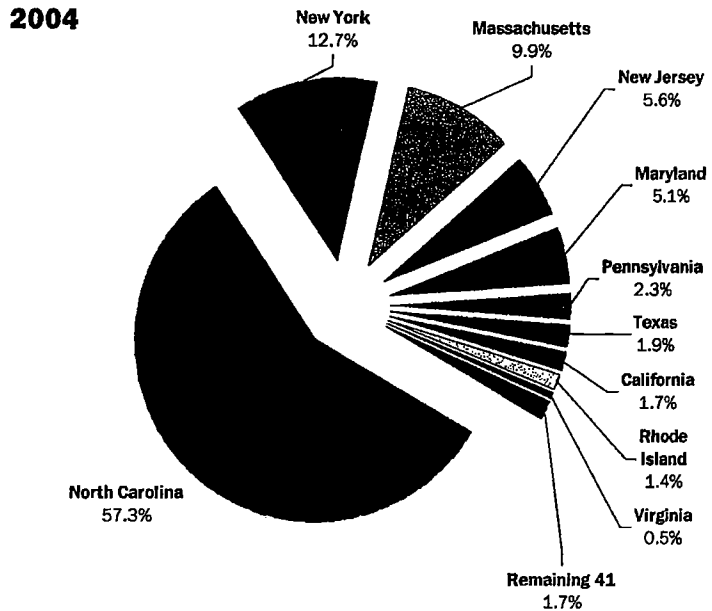


Market Concentration

Approximately 98.3% of the total private passenger nonfleet residual market business for 2004 was concentrated in ten states, each of which exceeded 12,000 written car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2004.

CHART 10C
Concentration of PPNF Liability Car Years Written



Ranking by State

In 2004, North Carolina was once again the only state to develop a population of more than one million written car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

Chart 10D
PPNF Liability Car Years, 2004

Rank	Jurisdiction	Amount	% of Total
1	North Carolina	1,553,489	57.30%
2	New York	343,333	12.66%
3	Massachusetts	269,473	9.94%
4	New Jersey	150,906	5.57%
5	Maryland	137,168	5.06%
6	Pennsylvania	62,669	2.31%
7	Texas	51,690	1.91%
8	California	46,687	1.72%
9	Rhode Island	37,994	1.40%
10	Virginia	12,897	0.48%
	Total of the 10 Jurisdictions	2,666,306	98.34%
	Remaining 41	45,054	1.66%
	Total	2,711,360	100.00%

Largest Changes in Size

In 2004, 21 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

Chart 10E
Top Five Increases in Residual Market PPNF Liability Car Years, 2004

Jurisdiction	Number Increased	Percent Change
North Carolina	67,203	4.5%
Maryland	6,499	5.0%
Pennsylvania	2,480	4.1%
Rhode Island	1,241	3.4%
Kansas	443	25.3%

In 2004, 30 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 2000 through 2004 are shown.

Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

Chart 10F
Top Five Decreases in Residual Market PPNF Liability Car Years, 2004

Jurisdiction	Number Decreased	Percent Change
New York	-112,728	-24.7%
California	-20,182	-30.2%
Michigan	-14,928	-71.0%
Massachusetts	-8,989	-3.2%
Virginia	-6,695	-34.2%

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CHART 9A

Automobile Residual Market as a Percent of the Total Written Premium by Line, 2004

Residual Market Size Relative to Total Market by State and Line

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2004

State	Rank	2004 Residual Market Written Prem	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys Dam	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys Dam	% of state's Total Auto
NEW YORK	1	\$833,123,837	83	14	93	12	64
NORTH CAROLINA	2	\$695,888,600	295	N/A	108	N/A	150
MASSACHUSETTS	3	\$656,625,095	109	81	243	262	121
NEW JERSEY	4	\$527,343,046	75	37	118	51	69
MARYLAND	5	\$241,845,057	81	43	32	20	60
CALIFORNIA	6	\$102,645,454	04	N/A	26	N/A	05
PENNSYLVANIA	7	\$56,084,779	10	01	10	02	07
RHODE ISLAND	8	\$44,137,734	83	05	43	10	54
VIRGINIA	9	\$38,134,337	06	03	35	13	08
MICHIGAN	10	\$31,437,442	03	02	23	06	04
TEXAS	11	\$31,143,381	04	N/A	03	N/A	02
CONNECTICUT	12	\$17,885,251	05	01	22	10	06
HAWAII	13	\$17,161,896	18	02	93	70	24
FLORIDA	14	\$16,550,260	01	00	06	00	01
NEW HAMPSHIRE	15	\$12,636,987	09	06	51	48	14
LOUISIANA	16	\$8,408,845	01	00	15	00	02
ILLINOIS	17	\$8,181,783	01	01	03	02	01
DISTRICT OF COLUMBIA	18	\$6,233,410	18	08	70	00	21
KENTUCKY	19	\$6,189,396	01	N/A	18	N/A	02
VERMONT	20	\$5,065,873	15	03	31	20	13
MINNESOTA	21	\$3,965,480	00	00	10	00	01
DELAWARE	22	\$3,764,432	01	01	32	14	05
KANSAS	23	\$3,752,958	02	00	09	03	02
ALASKA	24	\$3,665,420	10	04	14	01	08
WISCONSIN	25	\$3,246,410	00	00	08	00	01
ARIZONA	26	\$3,176,574	00	00	07	02	01
MISSISSIPPI	27	\$2,870,492	01	00	10	00	02
OKLAHOMA	28	\$2,708,425	00	00	09	02	01
WEST VIRGINIA	29	\$2,631,729	01	00	13	01	02
MISSOURI	30	\$2,602,899	00	00	05	01	01
SOUTH CAROLINA	31	\$1,792,553	00	00	06	01	01
ALABAMA	32	\$1,692,280	00	00	05	00	01
MAINE	33	\$1,692,021	01	00	08	04	02
GEORGIA	34	\$1,668,777	00	00	02	02	00
OREGON	35	\$1,608,134	00	00	04	06	01
TENNESSEE	36	\$1,303,925	00	00	02	00	00
INDIANA	37	\$1,274,038	00	00	03	00	00
WASHINGTON	38	\$1,263,423	00	00	02	03	00
IDAHO	39	\$1,156,519	00	00	08	06	02
NEBRASKA	40	\$1,079,217	00	N/A	07	N/A	01
SOUTH DAKOTA	41	\$992,829	00	00	16	01	02
UTAH	42	\$851,661	00	00	04	03	01
COLORADO	43	\$587,753	00	00	01	01	00
IOWA	44	\$498,633	00	00	01	01	00
MONTANA	45	\$483,194	01	00	03	00	01
NEW MEXICO	46	\$437,019	00	00	02	00	00
NEVADA	47	\$397,926	00	00	02	00	00
WYOMING	48	\$361,752	00	00	08	00	01
NORTH DAKOTA	49	\$334,360	00	00	05	02	01
OHIO	50	\$218,445	00	00	00	00	00
ARKANSAS	51	\$186,543	00	00	01	00	00
COUNTRYWIDE		\$ 3,408,988,284	23	05	33	11	18

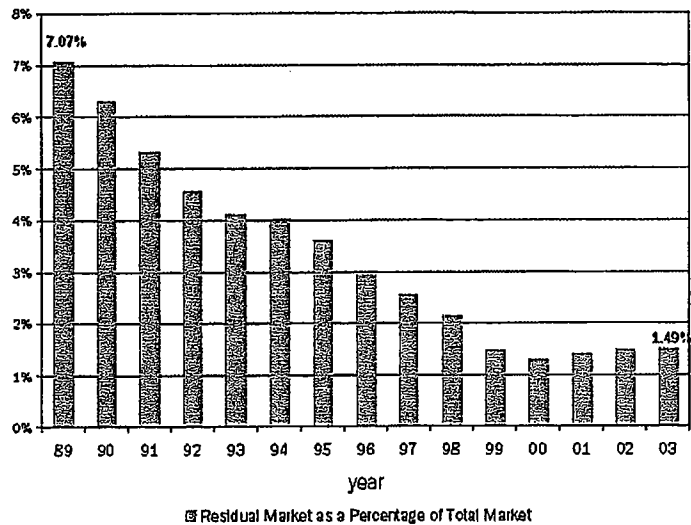
*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A-coverage not available, or does not apply in this jurisdiction

Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1989 through 2003

CHART 10B
PPNF Liability Insurance Residual Market
as a Percentage of the Total Market *of all jurisdictions reporting data to AIPSO*

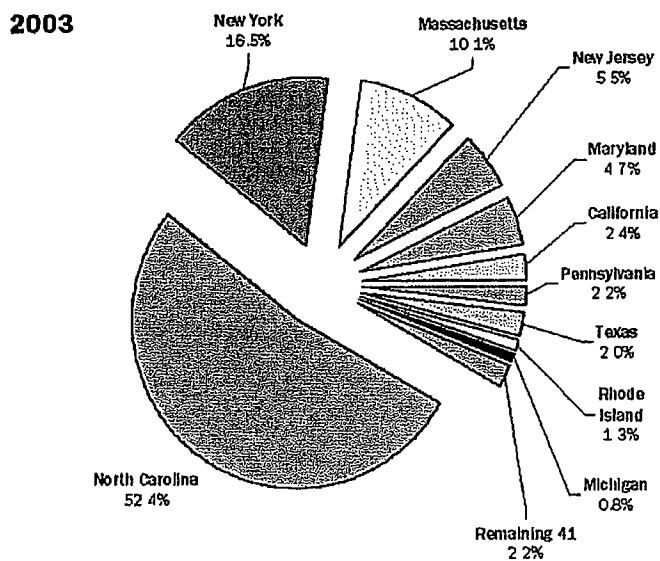


Market Concentration

Approximately 97.8% of the total private passenger nonfleet residual market business for 2003 was concentrated in ten states, each of which exceeded 21,000 written car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2003

CHART 10C
Concentration of PPNF Liability Car Years Written



Ranking by State

In 2003, North Carolina was once again the only state to develop a population of more than one million written car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

Chart 10D
PPNF Liability Car Years, 2003

Rank	Jurisdiction	Amount	% of Total
1	North Carolina	1,419,858	32.77%
2	New York	436,061	10.21%
3	Massachusetts	278,462	6.36%
4	New Jersey	219,952	5.03%
5	Michigan	150,685	3.42%
6	California	86,869	2.04%
7	Pennsylvania	60,053	1.39%
8	Texas	52,258	1.20%
9	Rhode Island	30,639	0.71%
10	Virginia	20,040	0.46%
	Total of the 10 jurisdictions	2,787,817	63.81%
	Remaining 41	1,580,767	36.19%
	Total	4,368,584	100.00%

Largest Changes in Size

In 2003, 25 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

Chart 10E
Top Five Increases in Residual Market PPNF Liability Car Years, 2003

Jurisdiction	Number Increased	Percent Change
North Carolina	18,824	1.8%
New Jersey	21,790	2.6%
California	13,712	15.8%
Texas	12,679	19.8%
Pennsylvania	11,593	23.4%

In 2003, 25 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 1999 through 2003 are shown.

Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

Chart 10F
Top Five Decreases in Residual Market PPNF Liability Car Years, 2003

Jurisdiction	Number Decreased	Percent Change
New York	51,870	-6.6%
Massachusetts	23,961	-7.9%
Michigan	11,302	-13.9%
South Carolina	5,484	-94.5%
Virginia	3,458	-15.0%

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CHART 9A

Automobile Residual Market as a Percent of the Total Written Premium by Line, 2003

Residual Market Size Relative to Total Market by State and Line

Chart 9A shows, in ranking state order, the automobile residual market as a percent of total automobile written premiums by classification and coverage for 2003.

State	Rank	2003 Residual Market Written Prem.	% of state's Total Auto PPNF Liability	% of state's Total Auto PPNF Phys.Dam.	% of state's Total Auto Comm Liability	% of state's Total Auto Comm Phys.Dam.	% of state's Total Auto
NEW YORK	1	\$1,014,708,842	11.0	2.2	7.3	1.3	8.0
NORTH CAROLINA	2	\$706,793,690	30.1	0.0	9.8	0.0	15.0
MASSACHUSETTS	3	\$645,811,310	11.1	8.6	26.1	24.4	12.6
NEW JERSEY	4	\$499,000,310	7.4	3.6	12.0	5.2	6.7
MARYLAND	5	\$236,717,353	8.4	4.6	3.3	2.1	6.3
CALIFORNIA	6	\$1,829,268	0.5	0.0	2.2	0.0	0.5
PENNSYLVANIA	7	\$64,829,698	1.1	0.2	0.9	0.5	0.8
MICHIGAN	8	\$81,920,068	6.7	0.5	2.7	0.7	0.6
FLORIDA	9	\$1,493,082	0.4	0.0	1.2	0.1	0.4
VIRGINIA	10	\$5,097,322	0.9	0.5	3.4	1.7	1.0
RHODE ISLAND	11	\$44,749,969	8.8	0.9	5.5	0.0	5.8
TEXAS	12	\$43,210,326	0.6	0.0	0.3	0.0	0.3
CONNECTICUT	13	\$19,101,251	0.7	0.2	2.0	1.4	0.7
HAWAII	14	\$17,086,617	2.2	0.3	9.5	5.3	2.6
NEW HAMPSHIRE	15	\$13,992,417	1.1	0.8	4.5	5.8	1.7
ILLINOIS	16	\$8,457,148	0.1	0.1	0.6	0.1	0.1
LOUISIANA	17	\$7,452,823	0.1	0.0	0.4	0.0	0.2
NEW YORK	18	\$7,074,785	0.1	0.0	0.3	0.0	0.3
DISTRICT OF COLUMBIA	19	\$6,695,153	2.0	0.9	0.6	0.0	2.0
VERMONT	20	\$3,676,466	1.7	0.5	3.3	1.7	1.5
DELAWARE	21	\$4,005,568	0.2	0.1	3.1	2.1	0.6
ALASKA	22	\$3,948,191	0.9	0.4	2.6	0.0	0.9
WISCONSIN	23	\$3,564,150	0.0	0.0	0.9	0.0	0.1
KANSAS	24	\$3,174,516	0.2	0.0	0.8	0.3	0.2
MISSOURI	25	\$3,022,951	0.0	0.0	0.7	0.0	0.1
OKLAHOMA	26	\$2,586,047	0.0	0.0	0.3	0.0	0.1
WEST VIRGINIA	27	\$2,514,456	0.1	0.0	0.5	0.0	0.2
SOUTH CAROLINA	28	\$2,016,173	0.0	0.0	0.7	0.1	0.1
FLAORIDA	29	\$1,962,458	0.1	0.0	0.2	0.0	0.2
MINNESOTA	30	\$1,724,608	0.0	0.0	0.4	0.0	0.0
TENNESSEE	31	\$1,698,592	0.0	0.0	0.3	0.0	0.1
ARIZONA	32	\$1,352,138	0.0	0.0	0.3	0.0	0.0
MISSISSIPPI	33	\$1,285,031	0.1	0.0	0.3	0.2	0.1
GEORGIA	34	\$1,125,513	0.0	0.0	0.1	0.1	0.0
INDIANA	35	\$708,122	0.0	0.0	0.2	0.0	0.0
SOUTH DAKOTA	36	\$693,961	0.0	0.0	0.1	0.0	0.0
NEW MEXICO	37	\$608,595	0.0	0.0	0.3	0.0	0.1
MONTANA	38	\$504,502	0.1	0.0	0.2	0.0	0.1
ALABAMA	39	\$367,649	0.0	0.0	0.3	0.0	0.0
COLORADO	40	\$355,027	0.0	0.0	0.1	0.0	0.0
WYOMING	41	\$328,978	0.0	0.0	0.7	0.0	0.1
NEVADA	42	\$318,952	0.0	0.0	0.1	0.0	0.0
IOWA	43	\$299,332	0.0	0.0	0.1	0.0	0.0
WASHINGTON	44	\$273,881	0.0	0.0	0.1	0.0	0.0
NEBRASKA	45	\$242,454	0.0	0.0	0.1	0.0	0.0
NORTH DAKOTA	46	\$181,586	0.0	0.0	0.3	0.0	0.0
UTAH	47	\$176,886	0.0	0.0	0.1	0.0	0.0
OHIO	48	\$137,400	0.0	0.0	0.0	0.0	0.0
IDAHO	49	\$110,255	0.0	0.0	0.0	0.0	0.0
OREGON	50	\$105,709	0.0	0.0	0.0	0.0	0.0
ARKANSAS	51	\$58,449	0.0	0.0	0.0	0.0	0.0
COUNTRYWIDE		3,624,066,682	2.7	0.6	3.1	1.1	2.0

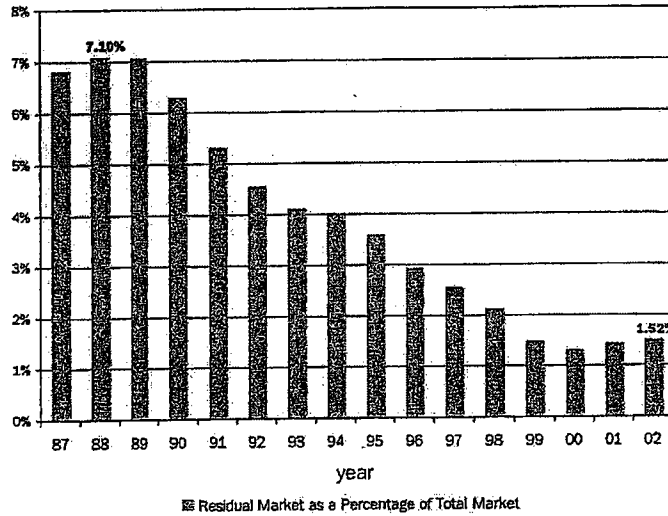
*Countrywide percentages represent the residual market's share of the total auto written premium for that classification of coverage.

N/A=coverage not available, or does not apply in this jurisdiction.

Market Cycle

Chart 10B reflects the trends of the residual market's share of the total market for PPNF liability car years insured from 1987 through 2002.

CHART 10B
PPNF Liability Insurance Residual Market
as a Percentage of the Total Market

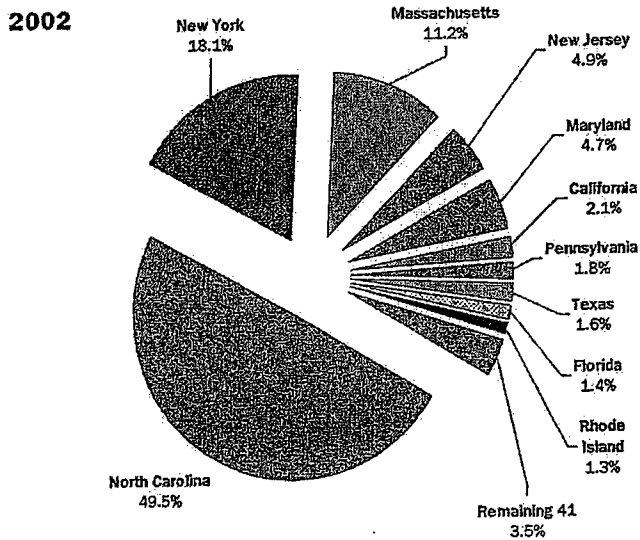


Market Concentration

Approximately 96.5% of the total private passenger nonfleet residual market business for 2002 was concentrated in ten states, each of which exceeded 33,000 insured car years.

Chart 10C illustrates the concentration of residual market private passenger liability car years in 2002.

CHART 10C
Concentration of PPNF Liability Car Years Written



Ranking by State

In 2002, North Carolina remained the only state to develop a population of more than one million car years in the residual market.

The number of car years for the top ten jurisdictions and the corresponding percentage of the total are displayed in Chart 10D.

Chart 10D
PPNF Liability Car Years, 2002

Rank	Jurisdiction	Number of Car Years	Percentage of Total
1	North Carolina	2,571,052	25.1%
2	New York	1,274,851	12.4%
3	Massachusetts	894,329	8.7%
4	New Jersey	831,162	8.1%
5	Maryland	627,680	6.1%
6	California	575,224	5.6%
7	Pennsylvania	443,640	4.3%
8	Texas	425,571	4.1%
9	Illinois	384,410	3.7%
10	Rhode Island	338,866	3.3%
	All Other Jurisdictions	2,497,472	24.3%
	Remaining	93,301	0.9%
	Total	10,222,223	100.0%

Largest Changes in Size

In 2002, 34 jurisdictions experienced increases in the residual market private passenger liability car years written. The five largest increases are shown in Chart 10E.

Chart 10E
Top Five Increases in Residual Market PPNF Liability Car Years, 2002

Jurisdiction	Number Increased	Percent Change
New York	27,735	2.2%
North Carolina	10,332	0.4%
New Jersey	2,752	0.3%
Maryland	2,165	0.3%
California	21,646	3.8%

In 2002, 17 jurisdictions recorded declines in the number of residual market private passenger liability car years written. The five largest decreases are shown in Chart 10F.

In Chart 11 (page 26), the number of registered private passenger vehicles and private passenger liability written car years insured for the period 1998 through 2002 are shown.

Chart 11A (page 27) shows the breakdown of insured written car years between the voluntary and residual markets.

Chart 10F
Top Five Decreases in Residual Market PPNF Liability Car Years, 2002

Jurisdiction	Number Decreased	Percent Change
Florida	33,347	-2.8%
South Carolina	28,047	-3.4%
Hawaii	11,570	-1.4%
Massachusetts	1,117	-0.1%
Mississippi	925	-0.1%

Analysis of Revenue Balance

<u>Coverage</u>	(1) Projected Premium at Rate Bureau Rates	(2) Deviation from Bureau Rates	(3) Anticipated Premium (1) x (2)	(4) Clean Risk Recoupment Factor	(5) Recoupment Amount (1) x (4)	(6) Total Revenue (3) + (5)	(7) Difference (6) - (1)	(8) Off-Balance Percentage (7) / (1)
Liability	\$2,578,368,955	0.954	\$2,459,763,983	0.0554	\$142,841,640	\$2,602,605,623	\$24,236,668	0.9%
Physical Damage	(9) Projected Premium at Rate Bureau Rates	(10) Deviation from Bureau Rates	(11) Anticipated Premium (9) x (10)			(12) Total Revenue Col.(11)	(13) Difference (12) - (9)	(14) Off-Balance Percentage (13) / (9)
	\$1,760,068,577	1.009	\$1,775,909,194			\$1,775,909,194	\$15,840,617	0.9%
Grand Total	(15) Projected Premium at Rate Bureau Rates (1) + (9)					(16) Total Revenue (6) + (12)	(17) Difference (16) - (15)	(18) Off-Balance Percentage (17) / (15)
	\$4,338,437,532					\$4,378,514,817	\$40,077,285	0.9%

Notes:

Col. (1) and Col. (9) reflect filed rate changes of +15.8% for liability and +8.4% for physical damage effective 10/1/
 Col. (2) and Col. (10) are averages of the six latest years of available data.
 Col. (4) is based on the most recent clean risk shortfall.

PREFILED TESTIMONY
OF
JAMES H. VANDER WEIDE

2008 PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU

Q. WHAT IS YOUR NAME, OCCUPATION, AND BUSINESS ADDRESS?

A. My name is James H. Vander Weide. I am Research Professor of Finance and Economics at Duke University, the Fuqua School of Business. I am also President of Financial Strategy Associates, a firm that provides strategic and financial consulting services to corporate clients. My business address is 3606 Stoneybrook Drive, Durham, North Carolina.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND PRIOR ACADEMIC EXPERIENCE.

A. I graduated from Cornell University with a Bachelor's Degree in Economics and then attended Northwestern University where I earned a Ph.D. in Finance. I joined the faculty of the School of Business at Duke University where I was subsequently named Assistant Professor, Associate Professor, and then Professor.

Since joining the faculty I have taught courses in corporate finance, investment management, and management of financial institutions. I have also taught a graduate seminar on the theory of public utility pricing and lectured in executive development seminars on the cost of capital, financial analysis, capital budgeting, mergers and acquisitions, cash management, short-run financial planning, and competitive strategy.

I have served as Program Director and taught in numerous executive education programs at Duke, including the Duke Advanced Management Program, the Duke Management Challenge, the Duke Executive Program in Telecommunications, Competitive Strategies in Telecommunications, and the Duke Program for Manager Development for managers from the former Soviet Union. I also teach in tailored programs developed for corporations such as ABB, Accenture, Allstate, AT&T, Progress Energy, GlaxoSmithKline, Lafarge, MidAmerican Energy, Norfolk Southern, The Rank Group, Siemens, TRW, and Wolseley PLC.

In addition to my teaching and executive education activities, I have written research papers on such topics

as portfolio management, the cost of capital, capital budgeting, the effect of regulation on the performance of public utilities, and cash management. My articles have been published in *American Economic Review*, *Financial Management*, *International Journal of Industrial Organization*, *Journal of Finance*, *Journal of Financial and Quantitative Analysis*, *Journal of Bank Research*, *Journal of Accounting Research*, *Journal of Cash Management*, *Management Science*, *The Journal of Portfolio Management*, *Atlantic Economic Journal*, *Journal of Economics and Business*, and *Computers and Operations Research*. I have written a book titled *Managing Corporate Liquidity: an Introduction to Working Capital Management*, and a chapter for *The Handbook of Modern Finance*, "Financial Management in the Short Run."

Q. HAVE YOU PREVIOUSLY PRESENTED EVIDENCE ON THE COST OF CAPITAL AND OTHER REGULATORY ISSUES?

A. Yes. As an expert on financial and economic theory, I have testified on the cost of capital, competition, risk, incentive regulation, forward-looking economic cost, economic pricing guidelines, depreciation, accounting, valuation, and other financial and economic issues in approximately 400 cases before the U.S. Congress, the

Federal Communications Commission, the National Telecommunications and Information Administration, the Federal Energy Regulatory Commission, the Canadian Radio-Television and Telecommunications Commission, the National Energy Board (Canada), the public service commissions of 42 states and the District of Columbia, the insurance commissions of five states, the Iowa State Board of Tax Review, and the National Association of Securities Dealers. In addition, I have testified as an expert witness in proceedings before the U.S. District Court for the Northern District of California; U.S. District Court for the District of Nebraska; United States District Court for the District of New Hampshire; U.S. District Court for the Eastern District of North Carolina; Superior Court, North Carolina; the U.S. Bankruptcy Court for the Southern District of West Virginia; and the U.S. District Court for the Eastern District of Michigan.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. I have been asked by the North Carolina Rate Bureau to make an independent appraisal of the aggregate cost of equity capital for the companies writing private passenger automobile insurance in North Carolina and to recommend a

rate of return on equity that is fair, that allows those companies in the aggregate to attract and retain capital on reasonable terms, that is commensurate with returns on investments of comparable risk, and that maintains the financial integrity of those companies in the aggregate.

Q. WHAT DO YOU MEAN BY THE PHRASE "COST OF EQUITY CAPITAL?"

A. A firm's cost of equity capital is the rate of return expectation that is required in the marketplace on equity investments of comparable risk. If an investor does not expect to earn a return on an equity investment in a firm that is at least as large as the return the investor could expect to earn on other investments of comparable risk, then the investor will not invest in that firm's shares. Thus, a firm's cost of equity capital is also the rate of return expectation that is required in the marketplace in order to induce equity investors to purchase shares in that firm.

Q. IS THE COST OF EQUITY CAPITAL THE SAME AS THE RETURN ON EQUITY?

A. No. The cost of equity capital is a market-based concept that reflects investors' future expectations, while the

return on equity is an accounting concept that measures results of past performance. The return on equity is equal to income available for common equity divided by the book value of common equity.

Q. HAVE YOU FORMED AN OPINION REGARDING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. Yes.

Q. WHAT IS YOUR OPINION IN THAT REGARD?

A. The cost of equity capital for such a company is in the range 11.2 percent to 14.1 percent.

Q. WHAT ECONOMIC PRINCIPLES DID YOU CONSIDER IN ARRIVING AT THAT OPINION?

A. There are two primary economic principles relevant to my appraisal of the cost of equity capital. The first, relating to the demand for capital, states that a firm should continue to invest in its business only so long as the return on its investment is greater than or equal to its cost of capital. In the context of a regulated firm, this principle suggests that the regulatory agency should

establish revenue levels which will offer the firm an opportunity to earn a return on its investment that is at least equal to its cost of capital.

The second principle, relating to the supply of capital, states that rational investors are maximizing their total return on capital only if the returns they expect to receive on investments of comparable risk are equal. If these returns are not equal, rational investors will reduce or completely eliminate investments in those activities yielding lower expected returns for a given level of risk and will increase investments in those activities yielding higher expected returns. The second principle implies that regulated firms will be unable to obtain the capital required to expand service on reasonable terms unless they are able to provide investors returns equal to those expected on investments of comparable risk.

Q. DO THESE ECONOMIC PRINCIPLES APPLY TO THE SETTING OF INSURANCE RATES?

A. Yes. These are general economic principles, which apply to investing in any business activity, including insurance.

Q. HOW DID YOU GO ABOUT DETERMINING THE COST OF EQUITY CAPITAL FOR THE AVERAGE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. I used two generally accepted methods to estimate the cost of equity: (i) the Discounted Cash Flow (DCF) Model, and (ii) the Risk Premium Approach.

Q. PLEASE DESCRIBE THE DCF MODEL.

A. The DCF Model suggests that investors value an asset on the basis of the future cash flows they expect to receive from owning the asset. Thus, investors value an investment in a bond because they expect to receive a sequence of semi-annual coupon payments over the life of the bond and a terminal payment equal to the bond's face value at the time the bond matures. Likewise, investors value an investment in a firm's stock because they expect to receive a sequence of dividend payments and, perhaps, expect to sell the stock at a higher price sometime in the future.

A second fundamental principle of the DCF approach is that investors value a dollar received in the future less than a dollar received today. This is because, if they had the dollar today, they could invest it in an interest earning

account and increase their wealth. This principle is called the time value of money.

Applying the two fundamental DCF principles noted above to an investment in a bond suggests that investors should value their investment in the bond on the basis of the present value of the bond's future cash flows. Thus, the price of the bond should be equal to:

Equation 1

$$P_B = \frac{C}{(1+i)} + \frac{C}{(1+i)^2} + \dots + \frac{C+F}{(1+i)^n}$$

where:

- P_B = Bond price;
- C = Cash value of the coupon payment (assumed for notational convenience to occur annually rather than semi-annually);
- F = Face value of the bond;
- i = The rate of interest the investor could earn by investing his money in an alternative bond of equal risk; and
- n = The number of periods before the bond matures.

Applying these same principles to an investment in a firm's stock suggests that the price of the stock should be equal to:

Equation 2

$$P_s = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n}$$

where:

- P_s = Current price of the firm's stock;
 $D_1, D_2 \dots D_n$ = Expected annual dividend per share on the firm's stock;
 P_n = Price per share of stock at the time the investor expects to sell the stock; and
 k = Return the investor expects to earn on alternative investments of the same risk, i.e., the investor's required rate of return.

Equation (2) is frequently called the Annual Discounted Cash Flow (DCF) Model of stock valuation.

- Q. HOW DO YOU USE THE DCF MODEL TO DETERMINE THE COST OF EQUITY CAPITAL?
- A. The "k" in the equation is the cost of equity capital. We make certain simplifying assumptions regarding the other factors in the equation and then mathematically solve for "k."
- Q. WHAT ARE THE ASSUMPTIONS YOU MAKE?
- A. Most analysts make three simplifying assumptions. First, they assume that dividends are expected to grow at the

constant rate ("g") into the indefinite future. Second, they assume that the stock price at time "n" is simply the present value of all dividends expected in periods subsequent to "n." Third, they assume that the investors' required rate of return, "k," exceeds the expected dividend growth rate, "g."

Q. DOES THE ANNUAL DCF MODEL OF STOCK VALUATION PRODUCE APPROPRIATE ESTIMATES OF A FIRM'S COST OF EQUITY CAPITAL?

A. No. The Annual DCF Model of stock valuation produces appropriate estimates of a firm's cost of equity capital only if the firm pays dividends just once a year. Since most firms pay dividends quarterly, the Annual DCF Model produces downwardly biased estimates of the cost of equity. Investors can expect to earn a higher annual effective return on an investment in a firm that pays quarterly dividends than in one which pays the same amount of dollar dividends once at the end of each year. A complete analysis of the implications of the quarterly payment of dividends on the DCF Model is provided in Exhibit RB-27. For the reasons cited there, I employed the Quarterly DCF Model throughout my calculations.

Q. PLEASE DESCRIBE THE QUARTERLY DCF MODEL YOU USED.

A. The Quarterly DCF Model I used is described by Equation 10 on page 11 in Exhibit RB-27. This equation shows that the cost of equity is: the sum of the dividend yield and the growth rate, where the dividend in the dividend yield is the equivalent dividend at the end of the year, and the growth rate is the expected growth in dividends or earnings per share.

Q. HOW DID YOU APPLY THE DCF APPROACH TO OBTAIN THE COST OF EQUITY CAPITAL FOR THE COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. I applied the DCF approach to three groups of companies: Value Line's group of property/casualty insurance companies, a subset of those companies that have a high percentage of revenues from private passenger automobile insurance, and the S&P 500.

Q. WHY DID YOU APPLY THE DCF APPROACH TO THE S&P 500 AS WELL AS TO VALUE LINE'S PROPERTY/CASUALTY INSURANCE COMPANIES?

A. As I noted previously, the cost of equity is defined as the rate of return investors expect to earn on investments in other companies of comparable risk. I applied the DCF

approach to the S&P 500 because they are a large group of companies that, on average, are typically viewed as being comparable in risk to the property/casualty insurance industry. The use of a larger set of comparable risk companies should provide an accurate estimate of the cost of equity for the companies writing private passenger automobile insurance in North Carolina.

Q. DID YOU INCLUDE ALL THE VALUE LINE PROPERTY/CASUALTY INSURANCE COMPANIES?

A. No. Among the Value Line property/casualty insurance companies, I deleted any firm which had recently lowered its dividend and which had fewer than three five-year earnings forecasts available from I/B/E/S (formerly known as the Institutional Brokers Estimate System, now part of Thomson Financial). The Value Line property/casualty companies I used are shown in Exhibit RB-28.

Q. DO ANY OF THE PROPERTY/CASUALTY INSURANCE COMPANIES INCLUDED IN YOUR EXHIBIT HAVE A SIGNIFICANT PERCENTAGE OF REVENUES FROM PRIVATE PASSENGER AUTOMOBILE INSURANCE?

A. Yes. The following companies have a significant percentage of revenues from private passenger automobile insurance:

Allstate, SAFECO, and Selective. Thus, I show DCF results for this subset of property/casualty insurance companies on Exhibit RB-29.

Q. WHAT CRITERIA DID YOU USE TO SELECT COMPANIES IN THE S&P 500?

A. I included those firms which pay dividends and which have at least three five-year earnings forecasts available from I/B/E/S. I excluded the insurance companies in the S&P 500, as identified by I/B/E/S Thomson Financial, because I had already calculated DCF results for the Value Line property/casualty insurance companies. To be conservative, I also eliminated those companies whose DCF results exceeded the mean by one standard deviation. The S&P 500 companies I used are shown in Exhibit RB-30.

Q. WHY DID YOU ELIMINATE ANY COMPANY WHICH HAD RECENTLY LOWERED ITS DIVIDEND OR WHICH FAILS TO PAY DIVIDENDS?

A. I eliminated those companies because it is difficult to make a reliable estimate of the future dividend growth rate for companies that have recently lowered their dividends or do not pay dividends. If a company has recently lowered its dividend, investors do not know whether the company will

again lower its dividend in the future, or whether the company will attempt to increase its dividend back toward its previous level. If a company does not pay a dividend, one cannot mathematically apply the DCF approach.

Q. HOW DID YOU ESTIMATE THE GROWTH COMPONENT OF THE QUARTERLY DCF MODEL?

A. I used the average of analysts' estimates of future earnings per share (EPS) growth reported by I/B/E/S. As part of their research, financial analysts working at Wall Street firms periodically estimate EPS growth for each firm they follow. The EPS forecasts for each firm are then published. The forecasts are used by investors who are contemplating purchasing or selling shares in individual companies.

Q. WHAT IS I/B/E/S?

A. I/B/E/S is a collection of analysts' forecasts for a broad group of companies expressed in terms of a mean forecast and a standard deviation of forecast for each firm. The mean forecast is used by investors as an estimate of future firm performance.

Q. WHY DID YOU USE THE I/B/E/S GROWTH ESTIMATES?

A. The I/B/E/S growth rates (1) are widely circulated in the financial community, (2) include the projections of a large number of reputable financial analysts who develop estimates of future growth, (3) are reported on a timely basis to investors, and (4) are widely used by institutional and other investors. For these reasons, I believe these estimates represent unbiased estimates of investors' expectations of each firm's long-term growth prospects and, accordingly, are incorporated by investors into their return requirements. Consequently, in my opinion, they provide the best available estimate of investors' long-term growth expectations.

Q. WHY DID YOU RELY EXCLUSIVELY ON ANALYSTS' PROJECTIONS OF FUTURE EPS GROWTH IN ESTIMATING THE INVESTORS' EXPECTED GROWTH RATE RATHER THAN LOOKING AT PAST HISTORICAL GROWTH RATES?

A. There is considerable empirical evidence that analysts' forecasts are more highly correlated with stock prices than are firms' historical growth rates, and, thus, that investors actually use these forecasts.

Q. HAVE YOU PERFORMED ANY STUDIES CONCERNING THE USE OF ANALYSTS' FORECASTS AS THE BEST ESTIMATE OF INVESTORS' EXPECTED GROWTH RATE, G?

A. Yes, I prepared a study in conjunction with Willard T. Carleton, Karl Eller Professor of Finance at the University of Arizona, on why analysts' forecasts provide the best estimate of investors' expectations of future long-term growth. This study is described in a paper entitled "Investor Growth Expectations and Stock Prices: the Analysts versus Historical Growth Extrapolation," published in the Spring 1988 edition of *The Journal of Portfolio Management*.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR STUDY.

A. First, we performed a correlation analysis to identify the historically-oriented growth rates which best described a firm's stock price. Then we did a regression study comparing the historical growth rates with the consensus analysts' forecasts. In every case, the regression equations containing the average of analysts' forecasts statistically outperformed the regression equations containing the historical growth estimates. These results are consistent with those found by Cragg and Malkiel, the

early major research in this area. These results are also consistent with the hypothesis that investors use analysts' forecasts, rather than historically-oriented growth calculations, in making buy and sell decisions. They provide overwhelming evidence that the analysts' forecasts of future growth are superior to historically-oriented growth measures in predicting a firm's stock price.

Q. WHAT PRICE DID YOU USE IN YOUR DCF MODEL?

A. I used a simple average of the monthly high and low stock prices for each firm for the three-month period, August, September, and October 2007. These high and low stock prices were obtained from Thomson Financial.

Q. WHY DID YOU USE THE THREE-MONTH AVERAGE STOCK PRICE, P_0 , IN APPLYING THE DCF METHOD?

A. I used a three-month average stock price in applying the DCF method because stock prices fluctuate daily, while financial analysts' forecasts for a given company are generally changed less frequently, often on a quarterly basis. Thus, to match the stock price with an earnings forecast, it is appropriate to average stock prices over a three-month period.

Q. PLEASE EXPLAIN YOUR INCLUSION OF FLOTATION COSTS.

A. All firms that have sold securities in the capital markets have incurred some level of flotation costs, including underwriters' commissions, legal fees, printing expense, etc. These costs are paid from the proceeds of the stock sale and must be recovered over the life of the equity issue. Costs vary depending upon the size of the issue, the type of registration method used and other factors, but in general these costs range between four percent and five percent of the proceeds from the issue. In addition to these costs, for large equity issues there is likely to be a decline in price associated with the sale of shares to the public. On average, the decline due to market pressure has been estimated at two percent to three percent.

These cost ranges have been developed and confirmed in a number of generally accepted studies. I believe a combined five percent allowance for flotation costs and market pressure is a conservative estimate that can be used in applying the DCF Model in this proceeding.

Q. PLEASE SUMMARIZE THE RESULTS OF YOUR APPLICATION OF THE DCF METHOD TO THE PROPERTY/CASUALTY INSURANCE COMPANIES AND THE S&P 500.

A. As shown in Exhibits RB-28, RB-29, and RB-30, the average DCF cost of equity capital for my group of Value Line property/casualty companies is 12.6 percent; for the insurance companies that have a significant percentage of revenues from private passenger automobile insurance, 11.7 percent; and for the S&P 500 companies, 14.1 percent.

Q. WHAT CONCLUSION DO YOU REACH FROM YOUR DCF ANALYSIS ABOUT THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. On the basis of my DCF analysis, I would conclude that for companies writing private passenger automobile insurance in North Carolina the cost of equity is in the range 11.7 percent to 14.1 percent.

Q. YOU SAID THE SECOND METHOD YOU USED TO ESTIMATE THE COST OF EQUITY CAPITAL FOR COMPANIES WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA WAS A RISK PREMIUM APPROACH. PLEASE DESCRIBE THAT APPROACH.

A. I performed a study of the comparable returns received by bond and stock investors over the last 81 years. I

estimated the returns on stock and bond portfolios, using stock price and dividend yield data on the S&P 500 stock portfolio and bond yield data on Moody's A-rated utility bonds.

My study consisted of analyzing the historically achieved returns on broadly based stock and bond portfolios going back to 1926. For stocks, I used the S&P 500 stock portfolio and for bonds I used Moody's A-rated utility bonds. The resulting annual returns on the stock and bond portfolios purchased in each year from 1926 through 2006 are shown on Exhibit RB-31. The difference between the stock return and the bond return over that period of time on an arithmetic average basis was 5.1 percentage points.

Q. WHAT CONCLUSIONS DO YOU DRAW FROM YOUR RISK PREMIUM ANALYSES?

A. My own studies, combined with my analysis of other studies, provide strong evidence for the belief that investors today require an equity return of approximately 5.1 percentage points above the expected yield on A-rated long-term debt issues.

Interest rates on Moody's seasoned A-rated utility bonds during the three months August through October 2007 ranged from 6.0 percent to 6.2 percent. On the basis of this information and my knowledge of bond market conditions, I conclude that the long-term yield on A-rated utility bonds is approximately 6.1 percent. Adding a 5.1 percentage point risk premium to the 6.1 percent expected yield on A-rated utility bonds, I obtain an expected return on equity of approximately 11.2 percent.

Q. BASED ON YOUR ANALYSES, WHAT IS YOUR OPINION AS TO THE COST OF CAPITAL FOR THE AVERAGE INSURANCE COMPANY WRITING PRIVATE PASSENGER AUTOMOBILE INSURANCE IN NORTH CAROLINA?

A. Based on my review and studies, I believe that a conservative estimate of the cost of common equity capital for the average insurance company writing private passenger automobile insurance in North Carolina is in the range 11.2 percent to 14.1 percent.

Q. IS THE COST OF EQUITY A FAIR RETURN ON EQUITY?

A. No. The cost of equity is a market-based concept that reflects the return investors expect on the market value of their investment. The fair return on equity is an

accounting concept that expresses the accounting rate of return the company earns on the book value of its investment. The cost of equity and the fair return on equity will be equal only when the market value of equity is equal to the book value of equity. Generally, the market value of equity is greater than the book value of equity for both the average firm and the average property/casualty insurer. When the market value of equity is greater than the book value of equity, the fair rate of return on equity must exceed the cost of equity capital for equity investors to have a reasonable expectation of earning their required return on investment.

Q. DID YOU CONVERT YOUR COST OF EQUITY CAPITAL TO A FAIR RETURN ON EQUITY?

A. No. In this proceeding I have not converted my cost of equity capital to the fair return on equity. The data that I previously used to convert my cost of equity to a fair return on equity has not been updated in several years. Given recent experience in the capital markets, I am confident that the fair return on equity would exceed the cost of equity. However, in the absence of data necessary to perform an explicit study, to be conservative, I

recommend that my cost of equity estimate also be used as
an estimate of the fair return on equity.

THE QUARTERLY DCF MODEL

The simple DCF Model assumes that a firm pays dividends only at the end of each year. Since firms in fact pay dividends quarterly and investors appreciate the time value of money, the annual version of the DCF Model generally underestimates the value investors are willing to place on the firm's expected future dividend stream. In this appendix, we review two alternative formulations of the DCF Model that allow for the quarterly payment of dividends.

When dividends are assumed to be paid annually, the DCF Model suggests that the current price of the firm's stock is given by the expression:

$$P_0 = \frac{D_1}{(1+k)} + \frac{D_2}{(1+k)^2} + \dots + \frac{D_n + P_n}{(1+k)^n} \quad (1)$$

where

P_0 = current price per share of the firm's stock,
 D_1, D_2, \dots, D_n = expected annual dividends per share on the firm's stock,
 P_n = price per share of stock at the time investors expect to sell the stock, and
 k = return investors expect to earn on alternative investments of the same risk, i.e., the investors' required rate of return.

Unfortunately, expression (1) is rather difficult to analyze, especially for the purpose of estimating k . Thus, most analysts make a number of simplifying assumptions. First, they assume that dividends are expected to grow at the constant rate g into the indefinite future. Second, they assume that the stock price at time n is simply the present value of all dividends expected in periods subsequent to n . Third, they assume that the investors' required rate of return, k , exceeds the expected dividend growth rate g . Under the above simplifying assumptions, a firm's stock price may be written as the following sum:

$$P_0 = \frac{D_0(1+g)}{(1+k)} + \frac{D_0(1+g)^2}{(1+k)^2} + \frac{D_0(1+g)^3}{(1+k)^3} + \dots, \quad (2)$$

where the three dots indicate that the sum continues indefinitely.

As we shall demonstrate shortly, this sum may be simplified to:

$$P_0 = \frac{D_0(1+g)}{(k-g)}$$

First, however, we need to review the very useful concept of a geometric progression.

Geometric Progression

Consider the sequence of numbers 3, 6, 12, 24,..., where each number after the first is obtained by multiplying the preceding number by the factor 2. Obviously, this sequence of numbers may also be expressed as the sequence 3, 3 x 2, 3 x 2², 3 x 2³, ... This sequence is an example of a geometric progression.

Definition: A geometric progression is a sequence in which each term after the first is obtained by multiplying some fixed number, called the common ratio, by the preceding term.

A general notation for geometric progressions is: a, the first term, r, the common ratio, and n, the number of terms. Using this notation, any geometric progression may be represented by the sequence:

$$a, ar, ar^2, ar^3, \dots, ar^{n-1}.$$

In studying the DCF Model, we will find it useful to have an expression for the sum of n terms of a geometric progression. Call this sum S_n . Then

$$S_n = a + ar + \dots + ar^{n-1}. \quad (3)$$

However, this expression can be simplified by multiplying both sides of equation (3) by r and then subtracting the new equation from the old. Thus,

$$rS_n = ar + ar^2 + ar^3 + \dots + ar^n$$

and

$$S_n - rS_n = a - ar^n \quad ,$$

or

$$(1 - r) S_n = a (1 - r^n) \quad .$$

Solving for S_n , we obtain:

$$S_n = \frac{a(1-r^n)}{(1-r)} \quad (4)$$

as a simple expression for the sum of n terms of a geometric progression. Furthermore, if $|r| < 1$, then S_n is finite, and as n approaches infinity, S_n approaches $a \div (1 - r)$. Thus, for a geometric progression with an infinite number of terms and $|r| < 1$, equation (4) becomes:

$$S = \frac{a}{1-r} \quad (5)$$

Application to DCF Model

Comparing equation (2) with equation (3), we see that the firm's stock price (under the DCF assumption) is the sum of an infinite geometric progression with the first term

$$a = \frac{D_0(1+g)}{(1+k)}$$

and common factor

$$r = \frac{(1+g)}{(1+k)}$$

Applying equation (5) for the sum of such a geometric progression,
we obtain

$$S = a \cdot \frac{1}{(1-r)} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1}{1 - \frac{1+g}{1+k}} = \frac{D_0(1+g)}{(1+k)} \cdot \frac{1+k}{k-g} = \frac{D_0(1+g)}{k-g}$$

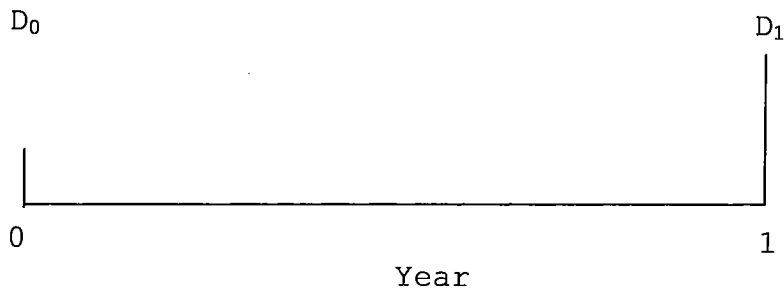
as we suggested earlier.

Quarterly DCF Model

The Annual DCF Model assumes that dividends grow at an annual rate of $g\%$ per year (see Figure 1).

Figure 1

Annual DCF Model

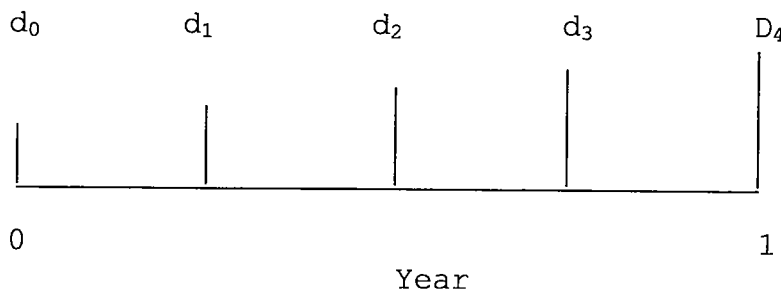


$$D_0 = 4d_0$$

$$D_1 = D_0(1 + g)$$

Figure 2

Quarterly DCF Model (Constant Growth Version)



$$d_1 = d_0(1+g)^{.25}$$

$$d_2 = d_0(1+g)^{.50}$$

$$d_3 = d_0(1+g)^{.75}$$

$$d_4 = d_0(1+g)$$

In the Quarterly DCF Model, it is natural to assume that quarterly dividend payments differ from the preceding quarterly dividend by the factor $(1 + g)^{.25}$, where g is expressed in terms of percent per year and the decimal .25 indicates that the growth has only occurred for one quarter of the year. (See Figure 2.) Using this assumption, along with the assumption of constant growth and $k > g$, we obtain a new expression for the firm's stock price, which takes account of the quarterly payment of dividends. This expression is:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}}} + \frac{d_0(1+g)^{\frac{2}{4}}}{(1+k)^{\frac{2}{4}}} + \frac{d_0(1+g)^{\frac{3}{4}}}{(1+k)^{\frac{3}{4}}} + \dots \quad (6)$$

where d_0 is the last quarterly dividend payment, rather than the last annual dividend payment. (We use a lower case d to remind the reader that this is not the annual dividend.)

Although equation (6) looks formidable at first glance, it too can be greatly simplified using the formula [equation (4)] for the sum of an infinite geometric progression. As the reader can easily verify, equation (6) can be simplified to:

$$P_0 = \frac{d_0(1+g)^{\frac{1}{4}}}{(1+k)^{\frac{1}{4}} - (1+g)^{\frac{1}{4}}} \quad (7)$$

Solving equation (7) for k , we obtain a DCF formula for estimating the cost of equity under the quarterly dividend assumption:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0} + (1+g)^{\frac{1}{4}} \right]^4 - 1 \quad (8)$$

An Alternative Quarterly DCF Model

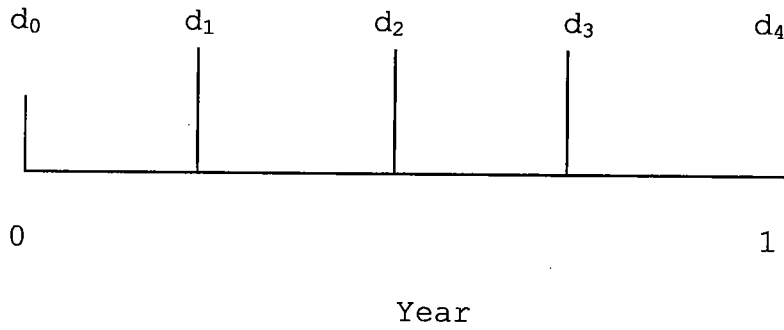
Although the constant growth Quarterly DCF Model [equation (8)] allows for the quarterly timing of dividend payments, it does require the assumption that the firm increases its dividend payments each quarter. Since this assumption is difficult for some analysts to accept, we now discuss a second Quarterly DCF Model that allows for constant quarterly dividend payments within each dividend year.

Assume then that the firm pays dividends quarterly and that each dividend payment is constant for four consecutive quarters. There are four cases to consider, with each case distinguished by varying assumptions about where we are evaluating the firm in relation to the time of its next dividend increase. (See Figure 3.)

Figure 3

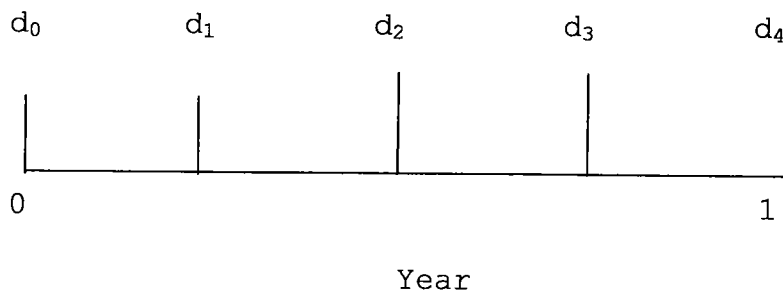
Quarterly DCF Model (Constant Dividend Version)

Case 1



$$d_1 = d_2 = d_3 = d_4 = d_0(1+g)$$

Case 2

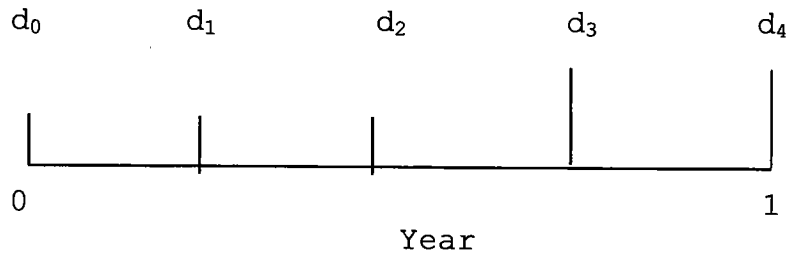


$$d_1 = d_0$$

$$d_2 = d_3 = d_4 = d_0(1+g)$$

Figure 3 (continued)

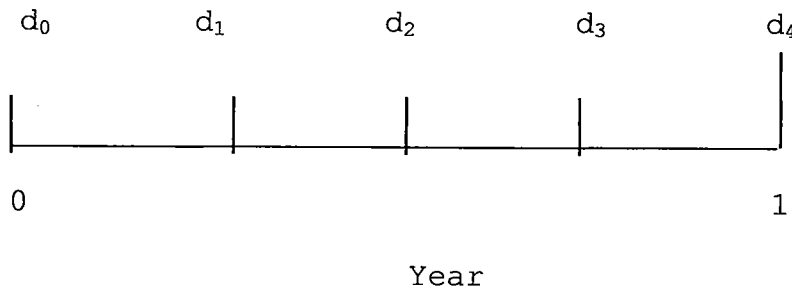
Case 3



$$d_1 = d_2 = d_0$$

$$d_3 = d_4 = d_0(1+g)$$

Case 4



$$d_1 = d_2 = d_3 = d_0$$

$$d_4 = d_0(1+g)$$

Exhibit RB-27
The Quarterly DCF Model

If we assume that the investor invests the quarterly dividend in an alternative investment of the same risk, then the amount accumulated by the end of the year will in all cases be given by

$$D_1^* = d_1 (1+k)^{3/4} + d_2 (1+k)^{1/2} + d_3 (1+k)^{1/4} + d_4$$

where d_1 , d_2 , d_3 and d_4 are the four quarterly dividends. Under these new assumptions, the firm's stock price may be expressed by an Annual DCF Model of the form (2), with the exception that

$$D_1^* = d_1 (1 + k)^{3/4} + d_2 (1 + k)^{1/2} + d_3 (1 + k)^{1/4} + d_4 \quad (9)$$

is used in place of $D_0(1+g)$. But, we already know that the Annual DCF Model may be reduced to

$$P_0 = \frac{D_0(1+g)}{k-g}$$

Thus, under the assumptions of the second Quarterly DCF Model, the firm's cost of equity is given by

$$k = \frac{D_1^*}{P_0} + g \quad (10)$$

with D_1^* given by (9).

Although equation (10) looks like the Annual DCF Model, there

Exhibit RB-27
The Quarterly DCF Model

are at least two very important practical differences. First, since D_1^* is always greater than $D_0(1+g)$, the estimates of the cost of equity are always larger (and more accurate) in the Quarterly Model (10) than in the Annual Model. Second, since D_1^* depends on k through equation (9), the unknown "k" appears on both sides of (10), and an iterative procedure is required to solve for k .

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES

Company	d ₀	P ₀	g	k
ACE Limited	0.270	58.782	13.24	15.4%
Allstate Corp.	0.380	54.883	7.90	11.0%
Berkley (W.R.)	0.050	29.355	13.00	13.8%
Chubb Corp.	0.290	51.525	9.71	12.2%
PMI Group	0.053	29.580	11.40	12.2%
Safeco Corp.	0.400	58.998	10.33	13.1%
Selective Ins. Group	0.120	21.463	8.40	10.9%
Travelers Cos.	0.290	51.367	9.56	12.0%
Average				12.6%

Notes:

- d₀ = Latest quarterly dividend per Value Line.
d₁, d₂, d₃, d₄ = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).
P₀ = Average of the monthly high and low stock prices during the three months ending October 2007 per Thomson Financial.
FC = Flotation costs.
g = I/B/E/S forecast of future earnings growth October 2007.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \frac{d_1(1+k)^{23} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
PROPERTY/CASUALTY INSURANCE COMPANIES
THAT HAVE A SIGNIFICANT PORTION OF REVENUES FROM PRIVATE
PASSENGER AUTOMOBILE INSURANCE

Company	d ₀	P ₀	g	k
Allstate Corp.	0.380	54.883	7.90	11.0%
Safeco Corp.	0.400	58.998	10.33	13.1%
Selective Ins. Group	0.120	21.463	8.40	10.9%
Average				11.7%

Notes:

- d₀ = Latest quarterly dividend per Value Line.
d₁, d₂, d₃, d₄ = Next four quarterly dividends, calculated by multiplying the last four quarterly dividends per Value Line, by the factor (1 + g).
P₀ = Average of the monthly high and low stock prices during the three months ending October 2007 per Thomson Financial.
FC = Selling and flotation costs.
g = I/B/E/S forecast of future earnings growth October 2007.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \frac{d_1(1+k)^{75} + d_2(1+k)^{50} + d_3(1+k)^{25} + d_4}{P_0(1-FC)} + g$$

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
3M	1.92	89.50	11.10%	13.6%
ABBOTT LABS.	1.30	53.34	12.20%	15.1%
ABERCROMBIE & FITCH	0.70	78.07	15.44%	16.5%
AETNA	0.04	50.81	15.72%	15.8%
AIR PRDS. & CHEMS.	1.52	91.39	13.38%	15.4%
ALCOA	0.68	36.47	10.58%	12.8%
ALLEGHENY TECHS.	0.72	99.86	14.33%	15.2%
ALTRIA GROUP	3.00	69.15	7.33%	12.3%
AMBAC FINANCIAL	0.84	61.18	10.50%	12.1%
AMEREN	2.54	51.63	5.88%	11.5%
AMERICAN EXPRESS	0.72	59.70	11.86%	13.3%
AMERIPRISE FINL.	0.60	61.38	11.52%	12.7%
AMERISOURCEBERGEN	0.30	45.55	13.33%	14.1%
ANHEUSER-BUSCH COS.	1.32	49.97	8.63%	11.7%
APPLERA APPD.BIOS.	0.17	33.62	11.94%	12.5%
APPLIED MATS.	0.24	20.87	16.89%	18.3%
AT&T	1.42	40.33	7.82%	11.9%
AUTOMATIC DATA PROC.	1.16	46.84	15.00%	18.0%
AVON PRODUCTS	0.74	36.05	11.45%	13.9%
BAKER HUGHES	0.52	86.32	13.36%	14.1%
BALL	0.40	52.16	12.50%	13.4%
BANK OF AMERICA	2.56	49.87	6.92%	12.8%
BANK OF NEW YORK MELLON	0.96	43.50	10.86%	13.5%
BARD C R	0.60	83.49	14.48%	15.3%
BAXTER INTL.	0.87	54.83	13.33%	15.2%
BB&T	1.84	39.68	8.52%	13.9%
BEAR STEARNS	1.28	116.49	11.40%	12.7%
BECTON DICKINSON	1.14	79.65	13.03%	14.7%
BEMIS	0.84	29.14	10.00%	13.4%
BEST BUY	0.52	45.87	15.31%	16.7%
BLACK & DECKER	1.68	85.45	9.00%	11.3%
BOEING	1.40	99.29	15.22%	16.9%
BROWN-FORMAN 'B'	1.36	73.00	10.51%	12.7%
BRUNSWICK	0.60	23.77	10.17%	13.1%
BURL.NTHN.SANTA FE C	1.28	82.03	13.21%	15.1%
CA	0.16	25.31	11.45%	12.2%
CAPITAL ONE FINL.	0.11	67.05	10.85%	11.0%
CARDINAL HEALTH	0.48	66.40	14.67%	15.5%
CBS 'B'	1.00	30.81	8.86%	12.6%
CENTERPOINT EN.	0.68	16.38	11.67%	16.6%
CHEVRON	2.32	88.40	8.27%	11.3%
CINTAS	0.39	36.69	12.25%	13.5%
CIRCUIT CITY STORES	0.16	9.70	13.33%	15.3%
CIT GROUP	1.00	37.45	9.57%	12.7%
CITIGROUP	2.16	46.30	8.13%	13.5%
CITIZENS COMMS.	1.00	13.79	3.81%	12.0%
CLEAR CHL.COMMS.	0.75	36.72	8.32%	10.7%

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
CLOROX	1.60	60.45	10.79%	13.9%
COCA COLA	1.36	56.51	9.95%	12.8%
COLGATE-PALM.	1.44	69.63	10.84%	13.3%
COM.BANC.	0.52	37.57	12.00%	13.6%
COMERICA	2.56	52.87	5.54%	11.0%
CONAGRA FOODS	0.76	25.59	8.33%	11.8%
CONOCOPHILLIPS	1.64	82.76	10.90%	13.2%
CONSOL EN.	0.40	44.51	15.95%	17.1%
COOPER INDS.	0.84	51.57	13.70%	15.7%
CORNING	0.20	23.94	17.17%	18.2%
COSTCO WHOLESALE	0.58	56.09	13.60%	14.8%
CSX	0.60	43.03	16.50%	18.2%
CVS CAREMARK	0.24	38.15	16.87%	17.6%
D R HORTON	0.60	14.91	11.00%	15.8%
DARDEN RESTAURANTS	0.72	42.56	12.50%	14.5%
DEVON ENERGY	0.56	81.14	10.25%	11.1%
DOVER	0.80	49.16	15.67%	17.7%
DOW CHEMICALS	1.68	43.21	11.57%	16.2%
DTE ENERGY	2.12	48.52	5.75%	10.7%
E I DU PONT DE NEMOURS	1.64	48.17	7.42%	11.3%
EATON	1.72	93.91	11.24%	13.4%
ECOLAB	0.46	43.99	14.13%	15.4%
EL PASO	0.16	16.64	11.33%	12.5%
ELI LILLY	1.70	56.31	7.34%	10.8%
EMERSON ELECTRIC	1.20	49.64	12.29%	15.2%
ENTERGY	3.00	106.80	10.60%	13.9%
EQUIFAX	0.16	37.86	13.00%	13.5%
ESTEE LAUDER COS. 'A'	0.55	42.55	11.45%	13.0%
EXELON	1.76	74.98	8.31%	11.0%
FAMILY DOLLAR STORES	0.46	27.28	10.96%	12.9%
FANNIE MAE	2.00	62.53	11.28%	15.1%
FEDERATED INVR. 'B'	0.84	37.45	12.25%	14.9%
FEDEX	0.40	105.87	14.20%	14.7%
FIDELITY NAT.INFO.SVS.	0.20	46.85	14.72%	15.2%
FIFTH THIRD BANCORP	1.68	35.26	8.02%	13.5%
FIRST HORIZON NATIONAL	1.80	28.45	7.33%	14.7%
FIRSTENERGY	2.00	64.09	8.80%	12.4%
FLUOR	0.80	136.93	15.78%	16.5%
FORTUNE BRANDS	1.68	83.08	9.60%	12.0%
FPL GROUP	1.64	61.88	9.71%	12.8%
FRANK.RES.	0.60	128.86	13.78%	14.3%
FREDDIE MAC	1.00	59.40	13.86%	15.9%
GAP	0.32	17.97	11.82%	13.9%
GENERAL DYNAMICS	1.16	81.37	11.04%	12.7%
GENERAL ELECTRIC	1.12	39.79	11.16%	14.5%
GENERAL MILLS	1.56	57.01	8.40%	11.6%
GENUINE PARTS	1.46	48.90	8.92%	12.4%
GENWORTH FINANCIAL	0.40	29.05	10.85%	12.5%
GOLDMAN SACHS GP.	1.40	202.21	13.13%	14.0%

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
GOODRICH	0.90	64.98	16.15%	17.9%
GRAINGER W W	1.40	88.94	13.19%	15.1%
H&R BLOCK	0.57	20.57	11.80%	15.1%
HALLIBURTON	0.36	37.00	12.02%	13.2%
HARLEY-DAVIDSON	1.20	51.85	11.41%	14.1%
HASBRO	0.64	28.04	9.93%	12.6%
HEINZ HJ	1.52	45.32	7.40%	11.2%
HESS	0.40	63.44	13.31%	14.1%
HEWLETT-PACKARD	0.32	49.18	13.72%	14.5%
HOME DEPOT	0.90	34.16	12.25%	15.4%
HONEYWELL INTL.	1.00	57.63	11.33%	13.4%
HUNTINGTON BCSH.	1.06	17.62	5.68%	12.5%
ILLINOIS TOOL WKS.	1.12	56.62	12.26%	14.6%
IMS HEALTH	0.12	28.47	11.46%	12.0%
INGERSOLL-RAND	0.72	51.18	10.43%	12.1%
INTEGRYS ENERGY GROUP	2.64	51.78	6.33%	12.2%
INTERNATIONAL BUS.MACH.	1.60	114.44	10.69%	12.3%
INTL.GAME TECH.	0.56	39.87	13.80%	15.5%
ITT	0.56	65.34	13.00%	14.0%
JOHNSON & JOHNSON	1.66	63.44	9.63%	12.7%
JOHNSON CONTROLS	0.52	38.47	13.75%	15.4%
JONES APPAREL GROUP	0.56	20.44	10.86%	14.1%
JP MORGAN CHASE & CO.	1.52	45.70	9.54%	13.4%
KELLOGG	1.24	54.30	9.09%	11.7%
KIMBERLY-CLARK	2.12	68.90	7.36%	10.9%
KLA TENCOR	0.60	56.54	16.52%	17.8%
KRAFT FOODS	1.08	32.95	7.27%	11.0%
KROGER	0.30	27.35	10.77%	12.1%
L3 COMMUNICATIONS	1.00	100.62	16.86%	18.1%
LEGG MASON	0.96	84.98	13.92%	15.3%
LEGGETT&PLATT	1.00	19.69	8.00%	13.9%
LEHMAN BROS.HDG.	0.60	58.98	11.50%	12.7%
LENNAR 'A'	0.64	26.93	11.17%	14.0%
LIMITED BRANDS	0.60	22.48	14.33%	17.6%
LIZ CLAIBORNE	0.22	32.93	13.67%	14.5%
LOCKHEED MARTIN	1.68	102.07	11.56%	13.5%
LOWE'S COMPANIES	0.32	29.24	15.10%	16.4%
MACY'S	0.52	32.35	12.67%	14.6%
MARATHON OIL	0.96	55.29	11.91%	14.0%
MARRIOTT INTL.'A'	0.30	42.51	15.15%	16.0%
MARSHALL & ILSLEY	0.98	34.99	8.78%	12.0%
MASCO	0.92	24.87	12.25%	16.7%
MATTEL	0.75	22.56	9.38%	13.3%
MBIA	1.36	57.69	12.50%	15.3%
MCCORMICK & CO NV.	0.88	36.05	9.25%	12.1%
MCDONALDS	1.50	52.93	9.03%	12.3%
MCGRAW-HILL	0.82	51.92	12.23%	14.1%
MCKESSON	0.24	58.72	15.00%	15.5%
MEDTRONIC	0.50	53.23	13.57%	14.7%

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
MERCK & CO.	1.52	52.03	10.28%	13.7%
MERRILL LYNCH & CO.	1.40	71.77	10.50%	12.8%
MICROSOFT	0.44	30.34	12.46%	14.2%
MOLEX	0.45	26.90	14.50%	16.5%
MOLSON COORS BREWING 'B'	0.64	48.44	12.96%	14.5%
MOODY'S	0.32	48.98	13.33%	14.1%
MORGAN STANLEY	1.08	63.55	12.79%	14.8%
MOTOROLA	0.20	17.70	9.41%	10.7%
NATIONAL CITY	1.64	26.52	8.50%	15.7%
NATIONAL SEMICON.	0.24	26.02	11.93%	13.0%
NEWELL RUBBERMAID	0.84	27.17	9.60%	13.2%
NEWS CORP. 'A'	0.12	21.25	17.36%	18.1%
NIKE 'B'	0.92	58.49	13.50%	15.4%
NOBLE ENERGY	0.48	67.09	10.25%	11.1%
NORDSTROM	0.54	47.33	11.50%	12.8%
NORFOLK SOUTHERN	1.04	51.21	14.00%	16.5%
NORTHERN TRUST	1.12	65.90	12.08%	14.1%
NORTHROP GRUMMAN	1.48	78.75	12.81%	15.1%
NOVELLUS SYSTEMS	0.15	27.43	15.81%	16.5%
OCCIDENTAL PTL.	1.00	61.02	11.68%	13.6%
OFFICEMAX	0.60	33.52	12.29%	14.4%
OMNICOM GP.	0.60	50.53	12.40%	13.8%
PACCAR	0.48	54.48	11.75%	12.8%
PALL	0.48	39.01	14.00%	15.5%
PARKER-HANNIFIN	0.84	71.58	14.18%	15.6%
PEABODY ENERGY	0.22	44.30	14.76%	15.4%
PENNEY JC	0.80	64.48	15.16%	16.7%
PEPCO HOLDINGS	1.04	26.88	11.40%	16.0%
PEPSI BOTTLING GP.	0.56	37.06	10.42%	12.2%
PEPSICO	1.50	69.93	11.03%	13.6%
PERKINELMER	0.28	28.07	14.25%	15.5%
PFIZER	1.16	24.37	5.38%	10.8%
PG&E	1.44	46.08	9.76%	13.4%
PINNACLE WEST CAP.	2.10	40.14	5.73%	11.7%
PITNEY-BOWES	1.40	44.76	10.67%	14.4%
PLUM CREEK TIMBER	1.68	42.18	6.53%	11.1%
PNC FINL.SVS.GP.	2.52	69.92	9.21%	13.4%
POLO RALPH LAUREN 'A'	0.20	78.03	15.71%	16.0%
PPG INDUSTRIES	2.08	74.73	12.22%	15.5%
PPL	1.22	48.83	13.67%	16.7%
PRAXAIR	1.20	79.02	13.34%	15.2%
PROCTER & GAMBLE	1.40	67.47	12.92%	15.4%
PROGRESS ENERGY	2.44	46.41	4.92%	10.8%
QUEST DIAGNOSTICS	0.40	55.27	13.88%	14.8%
RAYTHEON 'B'	1.02	60.87	15.00%	17.0%
REGIONS FINL.NEW	1.52	30.22	6.86%	12.6%
REYNOLDS AMERICAN	3.40	63.78	5.67%	11.7%
ROCKWELL COLLINS	0.64	70.30	16.39%	17.5%
ROHM & HAAS	1.48	54.82	13.16%	16.4%

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
ROWAN COS.	0.40	37.98	15.72%	17.0%
RYDER SYSTEM	0.84	51.21	10.60%	12.5%
SAFEWAY	0.28	32.38	10.60%	11.6%
SEALED AIR	0.40	26.06	11.50%	13.3%
SHERWIN-WILLIAMS	1.26	66.10	13.97%	16.3%
SIGMA ALDRICH	0.46	47.91	9.86%	11.0%
SNAP-ON	1.20	48.84	10.67%	13.6%
SOUTHWEST AIRLINES	0.02	15.00	14.72%	14.9%
SOVEREIGN BANC.	0.32	17.23	11.80%	14.0%
STANLEY WORKS	1.24	56.06	11.40%	14.0%
STAPLES	0.29	22.70	15.63%	17.2%
STARWOOD HTLS. & RSTS. WORLDWIDE	0.90	58.28	13.52%	15.4%
STATE STREET	0.88	67.90	13.10%	14.7%
SUNTRUST BANKS	2.92	76.75	8.19%	12.6%
SUPERVALU	0.68	39.08	8.94%	10.9%
SYNOVUS FINL.	0.82	27.94	10.71%	14.2%
SYSCO	0.88	33.48	13.40%	16.6%
T ROWE PRICE GP.	0.68	54.35	14.25%	15.8%
TARGET	0.56	63.18	14.63%	15.7%
TESORO	0.40	50.64	14.09%	15.0%
TEXTRON	0.92	59.27	14.00%	15.9%
THE HERSHEY COMPANY	1.19	45.54	9.50%	12.5%
TIFFANY & CO	0.60	50.39	13.00%	14.4%
TIME WARNER	0.25	18.56	14.98%	16.6%
TJX COS.	0.36	29.81	12.68%	14.1%
TRANE	0.64	35.45	12.25%	14.4%
TYCO ELECTRONICS	0.56	34.78	11.50%	13.4%
UNITED PARCEL SER.	1.68	75.70	12.10%	14.7%
UNITED TECHNOLOGIES	1.28	76.21	12.25%	14.2%
UNITEDHEALTH GP.	0.03	48.60	15.12%	15.2%
US BANCORP	1.60	32.13	8.13%	13.9%
V F	2.32	84.03	9.89%	13.1%
VALERO ENERGY	0.48	68.39	17.11%	18.0%
VERIZON COMMS.	1.72	43.08	6.77%	11.3%
WACHOVIA	2.56	48.64	7.37%	13.4%
WAL MART STORES	0.88	44.91	12.03%	14.4%
WALGREEN	0.38	44.58	13.62%	14.6%
WALT DISNEY	0.35	33.90	14.53%	15.8%
WASHINGTON MUTUAL	2.24	34.44	9.00%	16.7%
WASTE MAN.	0.96	36.87	10.33%	13.4%
WELLS FARGO & CO	1.24	35.63	10.45%	14.6%
WENDY'S INTL.	0.50	33.19	12.37%	14.2%
WESTERN UNION	0.04	19.53	12.13%	12.4%
WRIGLEY WILLIAM JR.	1.16	62.17	10.38%	12.6%
WYNDHAM WORLDWIDE	0.16	31.53	12.50%	13.1%
XCEL ENERGY	0.92	21.17	6.00%	10.9%
XEROX	0.17	16.90	10.50%	11.7%
XILINX	0.48	25.68	15.55%	17.8%

SUMMARY OF DISCOUNTED CASH FLOW ANALYSIS FOR
S&P 500 COMPANIES

COMPANY	D ₀	P ₀	g	k
XTO EN.	0.48	59.50	12.22%	13.2%
YUM! BRANDS	0.60	33.68	11.95%	14.1%
ZIONS BANCORP.	1.72	69.87	9.43%	12.3%
Average				14.1%

Notes: In applying the DCF Model to the S&P 500, I included in the DCF analysis only those companies in the S&P 500 group which pay a dividend, have a positive growth rate, and have at least three analysts' long-term growth estimates. In addition, I excluded all companies in the I/B/E/S group of insurance companies. I also eliminated those companies with DCF results that varied from the mean by one standard deviation or more.

Notes:

- D₀ = Latest dividend per Thomson Financial.
d₀ = Latest quarterly dividend.
P₀ = Average of monthly high and low stock prices August, September, and October 2007 per Thomson Financial.
FC = Selling and flotation costs.
g = I/B/E/S forecast of future earnings growth October 2007.
k = Cost of equity using the quarterly version of the DCF Model and a five percent allowance for flotation costs and market pressure (selling costs) as shown by the formula below:

$$k = \left[\frac{d_0(1+g)^{\frac{1}{4}}}{P_0(1-FC)} + (1+g)^{\frac{1}{4}} \right]^4 - 1$$

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
2007	1,424.16	0.0181		72.91	
2006	1,278.72	0.0183	13.20%	75.25	2.20%
2005	1,181.41	0.0177	10.01%	74.91	5.80%
2004	1,132.52	0.0162	5.94%	70.87	11.34%
2003	895.84	0.0180	28.22%	62.26	20.27%
2002	1140.21	0.0138	-20.05%	57.44	15.35%
2001	1335.63	0.0116	-13.47%	56.40	8.93%
2000	1425.58	0.0118	-5.13%	52.60	14.82%
1999	1248.77	0.0130	15.46%	63.03	-10.20%
1998	963.35	0.0116	31.25%	62.43	7.38%
1997	766.22	0.0195	27.68%	56.62	17.32%
1996	614.42	0.0231	27.02%	60.91	-0.48%
1995	465.25	0.0287	34.93%	50.22	29.26%
1994	472.99	0.0269	1.05%	60.01	-9.65%
1993	435.23	0.0288	11.56%	53.13	20.48%
1992	416.08	0.0290	7.50%	49.56	15.27%
1991	325.49	0.0382	31.65%	44.84	19.44%
1990	339.97	0.0341	-0.85%	45.60	7.11%
1989	285.41	0.0364	22.76%	43.06	15.18%
1988	250.48	0.0366	17.61%	40.10	17.36%
1987	264.51	0.0317	-2.13%	48.92	-9.84%
1986	208.19	0.0390	30.95%	39.98	32.36%
1985	171.61	0.0451	25.83%	32.57	35.05%
1984	166.39	0.0427	7.41%	31.49	16.12%
1983	144.27	0.0479	20.12%	29.41	20.65%
1982	117.28	0.0595	28.96%	24.48	36.48%
1981	132.97	0.0480	-7.00%	29.37	-3.01%
1980	110.87	0.0541	25.34%	34.69	-3.81%
1979	99.71	0.0533	16.52%	43.91	-11.89%
1978	90.25	0.0532	15.80%	49.09	-2.40%
1977	103.80	0.0399	-9.06%	50.95	4.20%
1976	96.86	0.0380	10.96%	43.91	25.13%
1975	72.56	0.0507	38.56%	41.76	14.75%
1974	96.11	0.0364	-20.86%	52.54	-12.91%
1973	118.40	0.0269	-16.14%	58.51	-3.37%
1972	103.30	0.0296	17.58%	56.47	10.69%
1971	93.49	0.0332	13.81%	53.93	12.13%
1970	90.31	0.0356	7.08%	50.46	14.81%
1969	102.00	0.0306	-8.40%	62.43	-12.76%
1968	95.04	0.0313	10.45%	66.97	-0.81%
1967	84.45	0.0351	16.05%	78.69	-9.81%
1966	93.32	0.0302	-6.48%	86.57	-4.48%
1965	86.12	0.0299	11.35%	91.40	-0.91%
1964	76.45	0.0305	15.70%	92.01	3.68%

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Year	S&P 500 Stock Price	Stock Dividend Yield	Stock Return	A-rated Bond Price	Bond Return
1963	65.06	0.0331	20.82%	93.56	2.61%
1962	69.07	0.0297	-2.84%	89.60	8.89%
1961	59.72	0.0328	18.94%	89.74	4.29%
1960	58.03	0.0327	6.18%	84.36	11.13%
1959	55.62	0.0324	7.57%	91.55	-3.49%
1958	41.12	0.0448	39.74%	101.22	-5.60%
1957	45.43	0.0431	-5.18%	100.70	4.49%
1956	44.15	0.0424	7.14%	113.00	-7.35%
1955	35.60	0.0438	28.40%	116.77	0.20%
1954	25.46	0.0569	45.52%	112.79	7.07%
1953	26.18	0.0545	2.70%	114.24	2.24%
1952	24.19	0.0582	14.05%	113.41	4.26%
1951	21.21	0.0634	20.39%	123.44	-4.89%
1950	16.88	0.0665	32.30%	125.08	1.89%
1949	15.36	0.0620	16.10%	119.82	7.72%
1948	14.83	0.0571	9.28%	118.50	4.49%
1947	15.21	0.0449	1.99%	126.02	-2.79%
1946	18.02	0.0356	-12.03%	126.74	2.59%
1945	13.49	0.0460	38.18%	119.82	9.11%
1944	11.85	0.0495	18.79%	119.82	3.34%
1943	10.09	0.0554	22.98%	118.50	4.49%
1942	8.93	0.0788	20.87%	117.63	4.14%
1941	10.55	0.0638	-8.98%	116.34	4.55%
1940	12.30	0.0458	-9.65%	112.39	7.08%
1939	12.50	0.0349	1.89%	105.75	10.05%
1938	11.31	0.0784	18.36%	99.83	9.94%
1937	17.59	0.0434	-31.36%	103.18	0.63%
1936	13.76	0.0327	31.10%	96.46	11.12%
1935	9.26	0.0424	52.84%	82.23	22.17%
1934	10.54	0.0336	-8.78%	66.78	29.13%
1933	7.09	0.0542	54.08%	79.55	-11.03%
1932	8.30	0.0822	-6.36%	70.67	18.23%
1931	15.98	0.0550	-42.56%	84.49	-11.63%
1930	21.71	0.0438	-22.01%	81.19	8.99%
1929	24.86	0.0336	-9.31%	83.95	1.48%
1928	17.53	0.0431	46.12%	86.71	1.43%
1927	13.40	0.0502	35.84%	83.28	8.92%
1926	12.65	0.0446	10.39%	80.81	8.01%

Average Return

Common Stocks 11.7%

A-rated Utility Bonds 6.6%

RISK PREMIUM 5.1%

Note: See Page 3 for an explanation of how stock and bond returns are derived and the source of the data presented.

COMPARATIVE RETURNS ON S&P 500 STOCKS
AND MOODY'S A-RATED UTILITY BONDS 1926-2006

Risk Premium Approach

Source of Data

Stock price and yield information is obtained from Standard & Poor's *Security Index Price Record*. Standard & Poor's derives the stock dividend yield by dividing the aggregate cash dividends (based on the latest known annual rate) by the aggregate market value of the stocks in the group. The bond price information is obtained by calculating the present value of a bond due in 30 years with a \$4.00 coupon and a yield to maturity of a particular year's indicated Moody's A-rated Utility bond yield. The values shown on pages 1 and 2 are the January values of the respective indices.

Calculation of Stock and Bond Returns

Sample calculation of "Stock Return" column:

$$\text{Stock Return (2006)} = \left[\frac{\text{Stock Price (2007)} - \text{Stock Price (2006)} + \text{Dividend (2006)}}{\text{Stock Price (2006)}} \right]$$

where Dividend (2006) = Stock Price (2006) x Stock Div. Yield (2006).

Sample calculation of "Bond Return" column:

$$\text{Bond Return (2006)} = \left[\frac{\text{Bond Price (2007)} - \text{Bond Price (2006)} + \text{Interest (2006)}}{\text{Bond Price (2006)}} \right]$$

where Interest = \$4.00.

Exhibit RB-32

**PREFILED TESTIMONY
OF
DAVID APPEL**

**2008 PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA RATE BUREAU**

I. QUALIFICATIONS AND SUMMARY

Q. Please state your name and present business address.

A. My name is David Appel, and my business address is 1 Pennsylvania Plaza, New York, NY.

Q. What is your occupation?

A. I am Director of Economics Consulting and a Principal with the firm of Milliman, Inc.

Q. What is Milliman, Inc.?

A. Milliman (formerly Milliman & Robertson) is one of the nation's largest independently owned firms of actuaries and consultants. The company operates offices in 40 cities in the U.S., Europe, Latin America and Asia. Our employees number over 2,000 and our clients number in the thousands. They include insurers, self-insured entities, Federal and State Governments, private corporations, non-profit organizations, unions, and many others. I am a Principal with the firm, and I am in charge of its Economics Consulting practice.

Q. Please describe your educational and employment history.

A. A complete statement of my educational, employment and academic credentials is included as Exhibit RB-33 filed with this testimony.

To summarize, I have a B.A. in economics from Brooklyn College, City University of New York, and M.A. and Ph.D. degrees in economics from Rutgers University. Prior to 1980, I was an instructor in economics at Rutgers University. For the following nine years, I was employed by the National Council on Compensation Insurance (NCCI), the nation's largest workers compensation insurance statistical, research and ratemaking organization. I joined NCCI as Research Economist in 1980, and ultimately became Vice President for research beginning in July 1985. In 1989 I left NCCI to establish the Economics Consulting practice for Milliman.

Q. Would you please describe some of your other professional activities?

A. Yes. Throughout my professional career, I have participated in a variety of academic and business activities related to insurance. I have been a member of the Board of Directors of the American Risk and Insurance Association, the leading learned society of insurance academics. I am currently a member of the editorial board of the Journal of Insurance Regulation (the official research publication of the National Association of Insurance Commissioners), as well as the journal Benefits Quarterly. I act as a peer referee for a number of scholarly journals in economics and insurance, and I maintain an active program of research and publication on issues of current interest in insurance economics. In addition, I was, for twelve years, an Adjunct Professor of Economics at Rutgers University.

Q. Have you ever published any papers or books?

A. Yes. During my career, I have authored many papers on various aspects of insurance that have been published in refereed books or scholarly journals. In addition, I have published a large number of papers in non-refereed journals as well. I have also co-edited three volumes of research papers dealing with various aspects of workers compensation and property-casualty insurance. My refereed publications are listed in Exhibit RB-33 filed with this testimony.

Q. Are you a member of any professional associations?

A. Yes, I am a member of the American Risk and Insurance Association, and an elected fellow of the National Academy of Social Insurance.

Q. Have you ever testified in insurance rate regulatory proceedings?

A. Yes. I have testified on many occasions in such proceedings, including several occasions in North Carolina in the past several years. A complete list is contained in Exhibit RB-33 filed with this testimony.

Q. What was the general nature of your testimony in these cases?

A. I have addressed a wide variety of insurance issues during public testimony, including such diverse topics as the impact of economic and demographic factors on insurance costs, the effects of regulation on insurance availability, the use of econometric and statistical models in insurance forecasting, and the use of modern financial theory in developing insurance prices. In North Carolina, my testimony in recent years has focused primarily on the last of these issues, specifically on matters relating to the cost of capital and the expected returns attributable to the business of insurance.

Q. Have you been retained by the North Carolina Rate Bureau as a consultant with respect to the subject of profitability in this rate case?

- A. Yes. I have considered the following four specific matters in connection with this case:
1. Dr. Vander Weide's estimation of the cost of capital.
 2. Whether interest rate sensitivity creates additional risk which affects insurers.
 3. Whether the size distribution of insurers in North Carolina should be considered in estimating the cost of capital in this case.
 4. The returns insurers would expect to earn from underwriting auto insurance in North Carolina, given that the filed underwriting profit provisions are realized.

I have performed various studies and analyses on these matters.

Q. Have you reached any conclusions in regard to these matters?

A. Yes. I will summarize them in bullet form here, and then discuss them each more fully later in the testimony.

1. I have reviewed Dr. Vander Weide's cost of capital estimates, which rely on the two most widely recognized models used for this purpose, and find them to be reasonable. However, Dr. Vander Weide's estimates are based on the implicit assumption that insurers present investors with roughly average risk, relative to all possible investment activities. I believe that investors in the property-casualty insurance industry are subject to an above average degree of risk, and therefore I think it would be prudent to view Dr. Vander Weide's estimates as a conservative estimate of the return to which insurers are entitled.
2. I have considered the impact of interest rate sensitivity on the risk and required return for insurers, and I have concluded that, because of the high degree of financial leverage and the substantial share of medium and long term bonds in insurer asset portfolios, insurers are particularly subject to interest rate risk that cannot be diversified away. Based on analyses I conducted for previous rate cases in North Carolina, I have found that investors must be compensated for this risk in the form of an additional risk premium above that required for the average security.
3. I have also considered the size distribution of insurers in North Carolina, and am aware that the firms providing auto insurance coverage in the state tend to be smaller than those used in Dr. Vander Weide's cost of capital analysis. Since there is conclusive evidence that, over the long run, smaller firms have earned higher returns, this finding must be considered evidence that investors expect higher returns from small firms. This provides additional support for my opinion that Dr. Vander Weide's cost of capital estimates should be viewed as a conservative estimate of the return to which insurers are entitled.
4. In order to test the underwriting profit provisions selected and filed by the NCRB, I have estimated the returns insurers would expect to earn from North Carolina auto liability and physical damage coverages assuming the filed underwriting profit

provisions are fully earned. I am aware that North Carolina law provides that insurers are entitled to expect to earn a return equal to the returns of industries of comparable risk, and that in calculating that expected return, investment income from capital and surplus funds is not to be considered. I refer to that operating return as the statutory return. However, as is evident from the attached exhibits, I have estimated insurer pro forma returns both including and excluding expected investment income from capital and surplus. (I refer to the return including investment income on surplus as the total return.) I have done this to demonstrate that if the filed underwriting profits are actually realized, and even if investment income on surplus is considered, insurer returns will not be excessive. Obviously, if returns are not excessive including investment income from capital and surplus, they will be non-excessive excluding such income.

Based on my calculations, the selected underwriting profit provisions generate statutory returns on net worth of 7.5% for the liability coverages and 7.6% for the physical damage coverages. In addition, the total returns on net worth (i.e., including investment income on surplus) are 11.1% for the liability coverages and 11.2% for the physical damage coverages. Since all these returns, even those that include investment income on surplus funds, are near or below the lower bound of Dr. Vander Weide's range for the fair rate of return, I conclude that the underwriting profit provisions are clearly not excessive.

II. COST OF CAPITAL REVIEW

Q. You said your first assignment was to review Dr. Vander Weide's estimate of the cost of capital. Are you familiar with Dr. Vander Weide's approach to estimating the cost of capital in insurance rate cases?

A. Yes. I am aware of the methodology upon which Dr. Vander Weide relies to estimate the cost of capital and have reviewed it on a number of occasions in the course of previous rate cases in North Carolina. Dr. Vander Weide has used the most widely recognized and accepted models for this purpose, namely the Discounted Cash Flow (DCF) model and the risk premium method. These models, when taken together and properly applied to a reasonably selected data set, provide acceptable estimates of the cost of capital for regulated insurers.

Q. What has Dr. Vander Weide concluded with respect to the fair rate of return in this case?

A. Dr. Vander Weide has concluded that the fair rate of return for insurers is in the range of 11.2% -14.1% on net worth as determined under generally accepted accounting principles (GAAP).

Q. In your opinion, is this an appropriate estimate of the required rate of return?

A. Yes, however as I indicated a moment ago, I believe that Dr. Vander Weide may have been conservative in his estimates, since he has assumed that the property-casualty industry

presents investors with average risk. Based on research I have conducted, I conclude the following:

1. There is evidence that the industry is considerably above average with respect to the volatility of the returns that it provides to investors. This higher volatility of returns makes the property-casualty industry an investment of above average risk.
2. Since investors require higher returns from smaller firms, and since the firms in Dr. Vander Weide's cost of capital analysis are significantly larger than the average property-casualty insurer in the North Carolina auto insurance market, his approach tends to underestimate the true cost of capital for North Carolina auto insurers.

III. INTEREST RATE RISK, INSURER SIZE AND THE COST OF CAPITAL

Q. Please turn to the impact of interest rate sensitivity on insurers' risk and required return and describe your analysis.

A. I considered whether there was any reason to believe that the interest rate sensitivity of insurers' asset portfolios contributed to insurer risk. To address this question, I considered both the theoretical and empirical dimensions of the issue. Based on these analyses, I have concluded that the high degree of financial leverage and large share of intermediate and long term bonds in insurer asset portfolios combine to create a significant exposure to interest rate changes. This high degree of interest rate risk causes property-casualty stock returns to have a high degree of volatility, which requires additional compensation above that demanded for the average security.

Q. You have made reference to the term interest rate risk. Can you please define this term?

A. Yes. Interest rate risk refers to the risk that the value of fixed income investments (such as bonds) will fluctuate with changes in interest rates. This means that there is a risk associated with holding bonds, particularly those with a relatively long term to maturity. While investments in equities are still considerably riskier than investments in long term bonds, as evidenced by the fact that returns to large company stocks have had a much higher mean and standard deviation than returns on long term government bonds over the past 80 years, bonds investments impose risk as well.

Q. Does interest rate risk affect investments in property-casualty insurance stocks?

A. Yes. Property-casualty insurance companies invest large amounts of funds in bonds issued by both corporations and governmental bodies. The risk that investors face is that when interest rates change, the values of the bonds also change, and hence their investments in property-casualty stocks are subject to interest rate risk. This fact is widely recognized by the financial community. Since investors cannot diversify away interest rate risk, only the prospect of higher returns will induce them to purchase interest-sensitive stocks. That is, investors must be compensated for purchasing interest-sensitive stocks because they are increasing their exposure to interest rate risk.

Q. Why is interest rate risk different from market risk?

A. Interest rate risk is a separate source of volatility for insurance stocks. Interest rates often change as a result of changes in expectations of future inflation. These changes primarily affect firms that hold what are called nominal assets and liabilities. Nominal assets and liabilities have cash flows that are fixed in nominal terms (for example, accounts receivable, most contracts, and bonds) and are thus subject to erosion in value due to inflation. On the other hand, the cash flows associated with manufacturing and service operations tend to fluctuate with the price level. Since most non-financial firms hold relatively few nominal assets and liabilities, their stocks are not particularly sensitive to changes in interest rates that are due to changes in expected inflation. Therefore interest rate risk adds additional risk to insurance stocks, above and beyond market risk, that is not diversifiable.

Changes in interest rates that are not associated with changes in expected inflation will affect all stocks. This accounts for the moderate degree of correlation between changes in long term interest rates and returns to common stocks. However, the fact that most stocks are not very sensitive to changes in interest rates that are due to changes in expected inflation means that interest rate risk is not fully captured in measures of market risk.

Q. Is it possible to measure interest rate risk?

A. Yes, and I have conducted a number of studies designed specifically to address this issue in the past several years. A more detailed discussion of these studies is available in the testimony I submitted with the 2003 auto rate filing.

Q. Can you please briefly summarize the principal conclusions of your work in this area?

A. Yes. Since insurer assets on average have a substantially longer financial duration than insurance liabilities, when interest rates change, the value of insurer equity is subject to potentially wide fluctuation. While the market risk for insurers as measured by beta is roughly average, the degree of interest rate risk to which the industry is exposed is considerably higher than average. Since this risk cannot be entirely diversified away, the overall risk associated with an investment in property/casualty insurance is greater than average. As a consequence, insurers are entitled to a rate of return above that allowed for the average risk investment in the U.S. economy.

Q. Have you also conducted an empirical study of the risks of investing in the property-casualty insurance industry?

A. Yes. As part of the work I performed in connection with the 2000 automobile insurance rate filing, I calculated the mean and standard deviation of the returns to investing in the property-casualty insurance industry, and compared them to the same statistics for investments in a portfolio of average risk common stocks (i.e., the S&P 500). In order to do this, I gathered data on prices, dividends, and number of shares outstanding from the December 31, 1998 edition of Compustat Research Insight. This data source contains up to 20 years of historical information on 141 property-casualty insurance stocks; to my knowledge, this is one of the

largest collections of data on property-casualty insurance companies that has ever been assembled for this purpose. My studies show that the standard deviation of returns to investors in property-casualty insurance stocks was greater than the standard deviation of returns on the S&P 500 while the mean return was higher over the entire period from 1980 to 1998.

A summary of these results is contained as Exhibit RB-34. These data indicate that insurance stocks are more volatile, and hence riskier, than the average security in the economy. In addition, the higher than average returns for these securities indicate that investors have been compensated for this additional risk.

Q. Why are returns to investing in property-casualty insurance stocks more volatile than investing in the stocks that make up the Standard & Poor's 500?

A. I believe that there are three main reasons for this.

First, the high degree of financial leverage and mismatched durations of assets and liabilities contributes to the volatility of returns to investors in insurance stocks.

Second, the insurance industry is in the business of bearing risk. Individuals and corporations transfer to property-casualty insurers potential liability for a wide range of possible adverse events, ranging from property damage to professional liability. In light of the unforeseen events that can occur, and, in the recent past, actually have occurred, investors in property-casualty insurance stocks are subject to considerable risk.

Finally, insurance is in the unique position of being a highly competitive industry that is also subject to a high degree of regulation. This combination of regulation and competition creates an environment in which insurers are subject not only to the demands of the market but also to the pressures of the political process. There is substantial evidence that regulation can increase risk for a regulated enterprise, and when that is combined with an aggressively competitive industrial structure, risk is increased.

Q. You said that the combination of regulation and competition increased risk for insurers. Can you describe what you mean?

A. Yes. Traditionally, direct price and rate of return regulation has been imposed on industries known as "public utilities," such as generation and transmission of electric power, distribution of natural gas, provision of local water and sewer service and the like. Because of the nature of the production process, these industries are characterized as "natural monopolies," meaning that it is most efficient for a single producer to provide the service in question. In such circumstances, the state normally grants a monopoly to a single provider and then regulates that firm directly to prevent abuse of monopoly power.

Property-casualty insurance differs dramatically from this model. Rather than a single firm providing service, there are in most states literally hundreds of firms competing in the market, none of which typically have significant market power. These firms compete aggressively to increase market share and attract the best insureds by offering a variety of

price and quality combinations that are best tailored to their business objectives. This vigorous competition provides discipline in the marketplace, and, when combined with direct rate of return regulation, the risk for insurers is increased.

I should note that in the past a number of competitively structured industries (such as airlines, trucking, and telecommunications) were subject to regulation, but in the past several decades there has been a movement to deregulate these activities. This is due in part to the widespread agreement that competition itself is an adequate regulator.

Q. You also said that you considered whether the size distribution of North Carolina insurers should impact the cost of capital in this case. Can you please describe this issue briefly and discuss its implications for this case?

A. Yes. It is a well established fact of empirical finance that small stocks tend to outperform large stocks. Ibbotson Associates, for instance, reports that firms in the ninth and tenth decile of stocks listed on the principal U.S. stock exchanges have outperformed the market as a whole by approximately 3.9 percentage points over the period 1926 to 2006, even after accounting for the fact that these firms have above average betas. Therefore an adjustment should be made to the cost of capital to the extent that the property-casualty insurance industry is composed of small stocks.

Q. Have you conducted any studies with respect to the significance of the small stock effect?

A. Yes. As with interest rate risk, I have conducted a number of studies of this issue in previous years, and in each instance I found that (1) investors have earned higher returns from small stocks than from large stocks, and (2) the insurers in Dr. Vander Weide's cost of capital analysis are among the largest companies in the U.S. economy. The insurers in Dr. Vander Weide's analysis are larger, on average, than the companies in the property-casualty insurance industry, and they are larger, on average, than the companies writing automobile insurance in North Carolina.

An example of the results of one such analysis from a previous year is displayed in Exhibit RB-35. The first page of this Exhibit displays the historical earned returns by decile of the New York Stock Exchange for the period between 1926 and 2000, demonstrating that small stocks have indeed earned significantly higher returns than large stocks. The remainder of the Exhibit shows the size distribution of the firms Dr. Vander Weide used in his cost of capital analysis, compared to the size distribution of publicly traded property casualty insurers generally, and private passenger automobile insurers in North Carolina specifically. In both instances the firms in Dr. Vander Weide's cost of capital sample were larger than the remaining property casualty insurers. These facts suggest that the cost of capital for insurers writing automobile insurance in North Carolina should be higher than for those firms contained in Dr. Vander Weide's cost of capital analysis. This reaffirms my conclusion that the cost of capital that Dr. Vander Weide has presented is conservative.

Q. Without describing in detail the studies you have undertaken in the past, what are your conclusions from the evidence you have reviewed on firm size and investors' required returns?

A. There are two principal findings from my analysis of firm size, rates of return, and cost of capital:

1. There is conclusive evidence that, over the long run, smaller firms have earned higher returns, and this finding must be considered evidence that investors expect higher returns from small firms.
2. The firms in Dr. Vander Weide's cost of capital analysis are among the larger firms in the U.S. economy, and they are significantly larger than the average property-casualty insurer, both nationally and in the North Carolina automobile insurance market.

In summary, the estimates from Dr. Vander Weide's cost of capital analysis should be viewed as a lower-bound estimate for property-casualty insurers writing North Carolina automobile insurance. Based on these studies, other similar studies, and my own knowledge and experience, I am confident that a comparable study, conducted today, would show similar results.

Q. Can you please summarize your testimony on the cost of capital of the property-casualty insurance industry?

A. Yes. Professor Vander Weide has assumed that the property-casualty insurance industry presents investors with risks comparable to the average investment in equities. My analysis has shown that property-casualty insurance stocks are subject to additional volatility due to interest rate sensitivity, and are relatively small when compared with the broad cross section of publicly traded firms in the U.S. economy. Since these additional risks require compensation in the form of a higher return, I conclude that Professor Vander Weide has been conservative in his calculation of the required rate of return on property-casualty insurance investments.

IV. UNDERWRITING PROFIT AND EXPECTED RETURN ON INSURANCE OPERATIONS

Q. Earlier you said that you had calculated the statutory and total returns insurers would expect from underwriting auto insurance in North Carolina. Would you please describe your analysis?

A. Yes. I developed a model using traditional insurance profitability analyses and have calculated the statutory and total returns on equity that would be expected to arise assuming that actual underwriting and investment results materialize exactly as projected in this filing. The results are contained in Exhibits RB-36 and RB-37 filed with this testimony.

Q. What do you mean when you say you calculated the returns on equity that would be expected to arise *assuming* that actual underwriting and investment results materialize exactly as projected in this filing?

A. The rate of return presented in these exhibits is based on a series of assumptions regarding such inputs as underwriting profit, investment gain, leverage, and the like. If these assumptions actually materialize, then the rates of return calculated in the exhibits will prevail. However, to the extent that these assumptions are not realized, the rate of return will differ from that calculated in the exhibits. Therefore, I want to stress that these results are conditional on the assumptions underlying the analysis. To emphasize that fact, I use the term "pro forma" in connection with the rate of return calculations.

Q. Are you aware of the provisions of G.S. 58-36-10, providing that in making rates the NCRB is to consider investment income earned and realized on unearned premium and loss reserves?

A. Yes, and I understand that investment income on capital and surplus is not to be considered. As I have already indicated, I have estimated and presented the returns that can be expected if the filed underwriting profit provisions are fully earned and realized, both excluding and including investment income on capital and surplus, and all of those returns are either below or within the low end of Dr. Vander Weide's range for the industry's fair rate of return. Since the NCRB's filed underwriting profit provisions generate expected returns that are not excessive even if the investment income on capital and surplus is included, the expected returns which exclude that investment income cannot be excessive.

Q. Can you please now describe the components of the model you developed?

A. Yes. The model really consists of a single page for each line of business, which calculates the rate of return on equity attributable to undertaking the insurance activity. It sets forth estimates of income derived from underwriting, installment fees and investment of reserves and estimates of costs, comprised of losses, expenses and taxes. This exhibit is supported by several other exhibits which provide calculations of investment yield rates, tax rates, premium to surplus and net worth to surplus ratios, and installment fee income. I will describe the principal elements of these exhibits below.

1. Underwriting profit is the difference between earned premiums at manual rates and incurred losses and expenses, expressed as a percent of manual premium.
2. Installment fee income is projected based on historical installment revenues.
3. Taxes are calculated assuming that the regular corporate tax rate applies to statutory underwriting (plus installment fee) income, and that an additional tax liability applies due to the reserve discounting and revenue offset provisions of the 1986 Tax Reform Act. Taxes on investment income are calculated assuming that the current statutory tax rates apply to the various classes of investment income earned.
4. Investment gain on the insurance transaction is estimated as the product of an investment yield rate and the investible funds available from loss, loss

adjustment expense and unearned premium reserves (*i.e.*, policyholder supplied funds). The investment yield rate is derived as the average of the "embedded yield" and the "current yield," based on the actual portfolios of securities held by insurers. This estimated yield rate includes income from interest, dividends, real estate, and other assets, as well as realized capital gains. The investible funds are estimated using the well known ISO State-X calculation, modified as described below.

5. In my estimates of the expected total return, investment gain on surplus is estimated as the product of the aforementioned investment yield rate and the amount of surplus attributable to the insurance transaction. The amount of surplus attributable to the transaction includes an adjustment to reflect the additional surplus required to support the prepayment of expenses. (In statutory accounting, the prepayment of expenses acts to reduce statutory surplus. Since prepaid expenses are already deducted from investible reserves in the investment income calculation, they are added back here to avoid deducting them from the investible balance twice.)

Q. In previous testimony in North Carolina, you identified certain changes you made to the traditional rate of return analysis that is performed using this model. Did you continue these changes for this year's filing?

A. Yes, I modified the rate of return calculation from the traditional analysis in two ways.

First, I removed the reduction of investible funds by the amount of agents' balances from the ISO State-X calculation. However, it continues to be true that the funds represented by agents' balances are not available for investment by insurers. Therefore, in the rate of return calculation, the investment income from this modified State-X calculation is reduced by the investment income attributable to agents' balances. This calculation recognizes (1) that the majority of agents' balances represent premiums not yet paid by insureds because of installment payment plans, and hence is unavailable for investment and (2) that for the minority of premiums collected by agents but not yet remitted to the companies, the investment income on that premium is additional compensation to the agents and a cost to the companies as part of the insurance transaction.

In addition, I adjusted the trended loss, LAE and fixed expense ratios to reflect the proposed rate change. That is to say, I have divided the trended loss and expense ratios at present rates by one plus the proposed premium level change to reflect the changes in these ratios that occur when rates are changed.

Q. Could you please clarify how the underwriting profit provision contained in the rate filing was determined?

A. Yes. The issue of how that Rate Bureau determines the underwriting profit and contingency factor has routinely arisen in rate hearings in North Carolina over the past several years. Although it is evident from my exhibits that the Rate Bureau selects an underwriting profit and contingency provision to be included in the rates, there has been lengthy cross

examination on this issue in every rate hearing in recent memory. Therefore, to clarify this matter, I will briefly discuss the procedure used by the Rate Bureau to determine the underwriting profit and contingency factor that is included in the proposed rates.

Each year, prior to making its rate filing, the Auto Committee of the Rate Bureau meets to review data and determine values for a number of the important components of the proposed rates. One of these components is the underwriting profit factor. To determine this value, a procedure is followed in which I provide the committee with the estimated returns on equity (both statutory returns as well as returns adjusted to include investment income on surplus) associated with alternative underwriting profit provisions, and the committee then selects a provision that is consistent with the cost of capital that has been developed by Prof. Vander Weide. Thus, the process is best described as one in which I test alternative underwriting profit provisions, and the committee selects a value based on these tests.

Q. How do you know what values of the underwriting profit provision to test?

A. I have been performing this type of analysis on behalf of the NCRB for many years, and I am quite familiar with the dynamics of these models. Therefore, it is relatively easy to know the general range of values around which the underwriting profit is likely to fall. Normally, for each line of business, I will select approximately five or six values of the underwriting profit provision to test, that comprise a range of perhaps two to three percentage points, and the committee typically selects a value within that range. (For example, for this filing, I believe I tested underwriting profit provisions for liability in one-half percentage point increments ranging from 7.0% to 9.5%, and the committee selected a value of 8.0%.) Of course, if the committee is not satisfied with the range of values I propose, it is relatively straightforward to calculate returns associated with alternative values proposed by the committee.

Q. From what you've said, it appears that the NCRB *selects* an underwriting profit provision, rather than *deriving* such a provision from the cost of capital. Is that correct, and if so, isn't it true that actuarial standards of practice require that the underwriting profit provision be *derived* from an underlying cost of capital?

A. It is correct that the Rate Bureau committee selects an underwriting profit provision and then tests whether that provision results in an expected rate of return on net worth that is consistent with the cost of capital. However, despite what appears to be suggested by DOI witnesses, it is *not true* that actuarial standards of practice require that an underwriting profit be derived from the cost of capital. In fact, that issue is addressed explicitly in ASOP # 30, entitled "Treatment of Underwriting Profit and Contingency Factors and the Cost of Capital in Property/Casualty Insurance Ratemaking." Section 3.1 of that ASOP states the following:

Estimating the Cost of Capital and the Underwriting Profit Provision
– Property/casualty insurance rates should provide for all expected costs, including an appropriate cost of capital associated with the specific risk transfer. This cost of capital can be provided for by estimating that cost and translating it into an underwriting profit provision, after talking leverage and investment income into account. Alternatively, the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of

capital. The actuary may use any appropriate method, as long as such method is consistent with the considerations in this standard.

The procedure utilized by the Rate Bureau is exactly the approach articulated in this section (i.e., "the actuary may develop an underwriting profit provision and test that profit provision for consistency with the cost of capital").

Q. Could you please clarify how you selected your investment yield rate and premium to surplus ratio?

A. Yes. To select the investment yield rate, I was asked by the Rate Bureau to compute the average of what are known as the "embedded" and "current" yields, where each was based on the actual asset portfolios insurers currently hold. The Commissioner adopted an approach of averaging the embedded and current yields in his 1994 automobile decision, and in his decision in the 1996 case, he selected a yield which approximated the yield obtained from this approach. Since that time, the Rate Bureau has chosen to follow that methodology.

To estimate the embedded yield, I calculated the ratio of 2006 investment income divided by average invested assets and added to that an estimate of the ten year average ratio of realized capital gains to invested assets. The sum of these two is the estimated embedded yield.

To estimate the current yield, I determined the yields available in today's capital markets for the portfolio of securities currently held by the property-casualty insurance industry. I then calculated a weighted average of these yield rates based on the proportion of assets held by the industry in each of the various securities such as stocks, bonds, real estate and the like.

As far as the premium to surplus ratio is concerned, I also relied on information which reflects the actual degree of leverage for insurers writing auto insurance in North Carolina. My premium to surplus ratio is calculated by using the ten year (1997-2006) average premium to surplus ratio for the top 30 company groups which wrote auto insurance in North Carolina over the past ten years.

Q. Can you please provide the results of your calculations regarding the projected rate of return to the insurance transaction if your underlying assumptions are realized?

A. Yes. For the liability line of coverage, I estimate that insurers should expect to earn a statutory return on GAAP equity (excluding investment income on surplus) of 7.5%. If one includes consideration of investment income on surplus, the expected total rate of return on GAAP equity equals 11.1%.

For the physical damage line of coverage, the expected statutory rate of return on GAAP equity is 7.6%, while the total rate of return including investment income on surplus is 11.2%.

All these returns fall within (albeit at the lower end of) or below the range of Dr. Vander Weide's cost of capital.

Q. It appears that the Rate Bureau has not incorporated any assumption that insurers will provide savings to policyholders (i.e., deviations) in its development of the filed manual rate change. Is that correct?

A. It is not entirely correct. In developing the rates proposed in this filing, the Rate Bureau has again utilized all the data relating to non-fleet private passenger automobile insurance in North Carolina, regardless of whether the data reflects insureds written at manual rates, downward deviated rates, Facility rates or through consent-to-rate rates. In doing so, the Bureau recognizes that the market price for insurance coverage will vary from the manual rates for some insureds due to the granting of deviations, payment of Facility rates or payment of higher rates for physical damage coverage under the consent to rate provisions of the law. In essence, the Bureau has assumed that all of these variations will balance themselves out, such that an explicit reflection of anticipated deviations (or any of the other variations in the manual rates) in the rate of return calculations is not necessary.

I believe that by adopting this approach, the Bureau has given due to consideration to deviations (or savings to policyholders). However, I would hasten to repeat that there is absolutely no explicit provision for deviations in the current filing, and any representations to the contrary by other parties are simply incorrect.

VI. CONCLUSION

Q. Based on the studies you have conducted, have you come to any conclusions regarding the underwriting profit provisions that have been filed by the NCRB in this case?

A. Yes. Based on my evaluation of Dr. Vander Weide's cost of capital estimates, my consideration of insurer specific risk characteristics, and my estimation of projected and expected returns, I believe that the underwriting profit provisions comply with North Carolina law and the returns expected to be realized by insurers will not be excessive.

Q. Does this conclude your testimony?

A. Yes, it does.

DAVID APPEL

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PROFESSIONAL EXPERIENCE:

1989 to present **MILLIMAN, INC.**
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1980 to 1989 **NATIONAL COUNCIL ON COMPENSATION INSURANCE**
Economic and Social Research Division
1985 to 1989 Vice President
1983 Assistant Vice President
Responsible for all economic and social research of NCCI

1982 Director of Economic and Social Research
1981 Senior Research Economist
1980 Associate Research Economist

1976 to 1997 **RUTGERS UNIVERSITY**

1981-97 Associate of the Graduate Faculty,
Department of Economics, Newark, New Jersey

1981-93 Teach variety of graduate courses including:
Microeconomic Theory, Industrial Organization, Public Finance

1978-80 Instructor, Department of Economics,
New Brunswick, New Jersey

1976-78 Adjunct Instructor, Department of Economics,
Newark, New Jersey

EDUCATION:

1980 Ph.D., Economics, Rutgers University
1976 M.A., Economics, Rutgers University
1972 B.A., Economics, Brooklyn College, CUNY
Certified ARIAS Arbitrator and Umpire
Member: AAA Panel of Neutrals

PAPERS AND PUBLICATIONS

"Comment on Jaffee and Russell" in Deregulating Property-Liability Insurance, J. David Cummins, Editor, Brookings Institution Press, Washington, DC, 2002

"Dynamic Financial Analysis of a Workers Compensation Insurer", CAS Call Papers Program, 1997 (with Susan Witcraft and Mark Mulvaney)

"The Impact of Managed Care on Workers Compensation Claim Costs," in a volume of conference proceedings published by the Workers' Compensation Research Institute, September 1994, (with Philip Borba).

"Health Care Costs in Workers' Compensation", Benefits Quarterly, Vol. 9, No. 4, Fourth Quarter, 1993

"The Transition From Temporary to Permanent Disability: A Longitudinal Analysis" in Workers' Compensation Insurance: Claims Costs, Prices and Regulation, David Durbin and Philip Borba, Editors, Kluwer Academic Publishers, Boston, 1992, (with Richard Butler, David Durbin and John Worrall)

"Leverage, Interest Rates and Workers' Compensation Survival" in Workers' Compensation Insurance: Claims Costs, Prices and Regulation, David Durbin and Philip Borba, Editors, Kluwer Academic Publishers, Boston, 1992, (with Richard Butler, David Durbin and John Worrall)

Benefits, Costs and Cycles in Workers' Compensation, Kluwer Academic Publishers, Boston, 1990, (co-editor with Philip Borba)

"Benefit Increases in Workers' Compensation", Southern Economics Journal, January 1990, (with Richard J. Butler)

"Internal Rate of Return Criteria in Ratemaking", NCCI Digest, Vol. IV, Issue III, September 1990, (with Richard J. Butler).

"Social Inflation in Workers' Compensation: The Phenomenon of Benefit Utilization", Proceedings of the Casualty Loss Reserve Seminar, 1988. Also in Contingencies, Nov./Dec., 1989.

Workers' Compensation Insurance Pricing: Current Programs and Proposed Reforms, Kluwer Academic Publishers, Boston, 1988,(co-editor with Philip Borba)

"Prices and Costs of Workers' Compensation" in Workers' Compensation Insurance Pricing: Current Programs and Proposed Reforms, Kluwer Academic Publishers, Boston, 1988, (with Philip Borba)

"1986 Tax Reform Act: Effects on Workers' Compensation Profitability", NCCI Digest, Vol. II, Issue II, July 1987 (with James Gerofsky)

"The Propensity for Permanently Disabled Workers' to Hire Legal Services" , Industrial and Labor Relations Review, April 1987, (with Philip Borba)

"Sex, Marital Status, and Medical Utilization by Injured Workers'", Journal of Risk and Insurance, Vol. LIV, No. 1, March 1987, (with John Worrall and Richard Butler)

"The Impact of Workers' Compensation Benefits on Low Back Claims" in Clinical Concepts in Regional Musculoskeletal Illness, Nortin M. Hadler, ed. (Boston: 1986, Grune and Stratton), (with John Worrall)

"Workers' Compensation and Employment: An Industry Analysis" in Disability and the Labor Market: Economic Problems, Policies and Programs, M. Anne Hill and Monroe Berkowitz, eds., (Ithaca:1986 ILR Press), (with James Lambrinos)

"Some Benefit Issues in Workers' Compensation", in Workers' Compensation Benefits: Adequacy, Equity, Efficiency. (Ithaca:1985 ILR Press), (with John Worrall)

Workers' Compensation Benefits: Adequacy, Equity, Efficiency. (co-editor with John Worrall), (Ithaca:1985 ILR Press)

"Survivorship and the Size Distribution of the Property-Liability Insurance Industry", Journal of Risk and Insurance, October 1985, (with John Worrall and Richard Butler).

"Regulating Competition-The Case of Workers' Compensation Insurance", Journal of Insurance Regulation, (with James Gerofsky), June 1985.

"The Wage Replacement Rate and Benefit Utilization in Workers' Compensation Insurance", Journal of Risk and Insurance, September 1982 (with John Worrall)

"Property Damages", in Joseph Seneca and Peter Asch, The Benefits of Air Pollution Control in New Jersey, Center for Coastal and Environmental Studies, Rutgers University, 1979

WORKING PAPERS

"Workers' Compensation Pricing: The Role of Policyholder Dividends" (with David Durbin)

"The Impact of Lifetime Work on Mortality: Do Unisex Pensions Matter?" (with Richard J. Butler)

"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler and John D. Worrall)

"Framing, Firm Size and Financial Incentives in Workers' Compensation Insurance" (with Richard J. Butler and John D. Worrall)

"Application of NAIC Profitability Models to Long Tailed Lines of Insurance" (with James Gerofsky)

INVITED PRESENTATIONS

Pinehurst, North Carolina, May 21, 2007
Workers Compensation Insurance Organizations Annual Meeting
"Enterprise Risk Management: What Is It and Why Is It Important?"

Salt Lake City, Utah, March 13, 2006
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

New Orleans, Louisiana, March 11, 2005
CAS Ratemaking Seminar
"Including Reinsurance Costs in Primary Insurance Rates"

Philadelphia, Pennsylvania, March 11, 2004
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

New York, New York, December 12, 2003
Goldman Sachs Insurance Conference
"Interest Rate Changes and Insurance Underwriting"

San Antonio, Texas, March 28, 2003
CAS Ratemaking Seminar
"The Consideration of Risk Loads and Reinsurance Costs in Primary Insurance Ratemaking"

San Antonio, Texas, March 27, 2003
CAS Ratemaking Seminar
"Rate of Return Models in Insurance Ratemaking"

San Diego, California, May 20, 2002
CAS Annual Meeting
"The Actuary as an Expert Witness"

Tampa, Florida, March 7, 2002
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Chicago, Illinois, December 10, 2001
NAIC Meeting
"The Impact of Proposition 103 in California"

Kansas City, Missouri, April 30, 2001
NAIC Meeting
"Personal Lines Regulation"

Las Vegas, Nevada, March 12, 2001
CAS Ratemaking Seminar
"Parameterizing Rate of Return Models in Insurance Ratemaking"

Washington DC, January 18, 2001
Brookings Institution Conference on Insurance Regulation
"Auto Insurance Experience in California"

Bermuda, September 14, 2000
Ace Insurance Worldwide Actuarial Conference

"Rate of Return Models In Property Casualty Insurance Ratemaking"

Orlando, Florida, June 9, 1998
Florida Managed Care Institute Annual Conferennce
"Issues in Integrated Health Care"

Seattle, Washington, July 21, 1997
CAS Dynamic Financial Analysis Seminar
"Dynamic Financial Analysis of a Workers Compensation Insurer"

Boston, Massachusetts, March 14, 1997
CAS Ratemaking Seminar
"Discounted Cash Flow Models in Insurance Ratemaking"

East Lansing, Michigan, July 15, 1996
National Symposium on Workers Compensation
"Managed Care in Workers Compensation"

New Orleans, Louisiana, March 20, 1996
Global Business Research Seminar: Partnerships Between Insurers and Providers
"Integrating the Data Systems"

Orlando, Florida, November 15, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Evaluating Savings From Managed Care"

Orlando, Florida, October 27, 1995
Self Insurance Association of America Annual Meeting
"Managed Care in Workers Compensation: A Magic Act or Humbug?"

San Diego, California, October 16, 1995
Global Business Research Seminar: Documenting Savings From Managed Care
"Technical Issues in Measuring Savings From Managed Care"

Durham, North Carolina, September 6, 1995
North Carolina HMO Association Annual Meeting
"Workers Compensation in North Carolina: Risks and Opportunities for HMO's"

Washington, DC, May 22, 1995
Global Business Research Seminar: Outcomes for Workers' Compensation Managed Care
"Measuring and Reporting the Savings"

Orlando, Florida, April 13, 1995
NCCI Annual Meeting
"Managed Care in Workers Compensation"

Phoenix, Arizona, April 3, 1995
Casualty Actuarial Society Seminar on Profitability
"Rate of Return Models - Selecting the Parameters"

New Orleans, Louisiana, March 16, 1995
Casualty Actuarial Society Ratemaking Seminar
"Discounted Cash Flow Models for Insurance Ratemaking"

Orlando, Florida, March 14, 1995

Standard & Poor's Rating Conference
"Consolidation in the Property/Casualty Insurance Industry"

Minneapolis, Minnesota, October 11, 1994
Casualty Actuarial Society Seminar on Medical Cost Containmentment
"Managed Care and Workers' Compensation"

Toronto, Ontario, August 22, 1994
American Risk and Insurance Association Annual Meeting
"Current Issues in Workers' Compensation"

Boston, Massachusetts, May 17, 1994
Casualty Actuarial Society Annual Meeting
"Standard Of Practice on Profit and Contingency"

Hartford, Connecticut, April 20, 1994
University of Connecticut Blue Cross/Blue Shield Symposium
"24 Hour Coverage - What Will It Involve"

Atlanta, Georgia, March 10, 1994
Casualty Actuarial Society Ratemaking Seminar
"Cash Flow Models for Insurance Ratemaking"

Cambridge, Massachusetts, March 2, 1994
Workers' Compensation Research Institute Health Care Reform Conference
"Early Results of the Florida Pilot Project"

Phoenix, Arizona, November 15, 1993
Casualty Actuarial Society Annual Meeting
"The Use Of Managed Care in Workers' Compensation"

New York, New York, October 20, 1993
Insurance Information Institute/Reinsurance Association of America Research Conference
The Impact of Health Care Reform on Casualty Insurance"

Somerset, New Jersey, July 13, 1993
National Symposium on Workers' Compensation
"Economic Analysis of Workers' Compensation Issues"

Boston, Massachusetts, June 30, 1993
Institute of Actuaries of Japan Special Meeting
"Health Care Costs in Workers' Compensation"

Dallas, Texas, June 15, 1993
Stirling-Cooke Workers' Compensation Seminar
"Workers' Compensation Medical Costs: Trends, Causes and Solutions"

New York, New York, June 3, 1993
New York Business Group On Health
"The Crisis in Workers' Compensation Health Care"

Mauna Lani Bay, Hawaii, May 3, 1993
Western Association of Insurance Brokers Annual Meeting
"Trends in Insurance Insolvency"

Kingston, Ontario, April 28, 1993
Queen's University Workers' Compensation Conference
"Exposure Bases for Workers' Compensation: Equity vs. Practicality"

Sanibel Island, Florida, March 29, 1993
Workers' Compensation Reinsurance Bureau Annual Meeting
"The Use of Managed Care in Workers' Compensation"

Baltimore, Maryland, March 23, 1993
CAMAR Annual Meeting
"Estimating the Cost of Capital in Insurance Ratemaking"

Philadelphia, Pennsylvania, December 1, 1992
Economic Issues in Workers' Compensation Seminar,
"Rate of Return Regulation in Workers' Compensation"

Seattle, Washington, October 16, 1992
Casualty Actuarial Society Seminar on Profitability
"Risk Based Capital Standards for Property Casualty Insurers"

Washington, DC, August 18, 1992
American Risk and Insurance Association Annual Meeting
"The Crisis in Workers' Compensation"

New York, New York, May 19, 1992
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Palm Beach, Florida, April 23, 1992
NCCI Annual Meeting
"Is the Workers' Compensation Industry Competitive?"

Philadelphia, Pennsylvania, March 20, 1992
University of Pennsylvania/Duncanson & Holt Special Seminar
"Current Issues in Workers' Compensation"

Dallas, Texas, March 12, 1992
Casualty Actuarial Society Ratemaking Seminar
"Profitability Models in Insurance Ratemaking: Estimating the Parameters"

Houston, Texas, December 11, 1991
NCCI/NAIC Commissioners Symposium
"Rate Adequacy: Solvency and Safety Implications"

New York, New York, November 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Philadelphia, Pennsylvania, November 12, 1991
Casualty Actuarial Society Annual Meeting
"The Impact of Medical Costs on Casualty Coverages"

New York, New York, May 17, 1991
Executive Enterprises Institute Seminar: Winning Approval of Rate and Form Filings
"Determining a Fair Rate of Return for Property/Casualty Insurers"

Kiawah Island, South Carolina, April 15 & 16, 1991
Casualty Actuarial Society Seminar on Profitability
"Cost of Capital Estimation: Lessons From Public Utilities"

Chicago, Illinois, March 14, 1991
Casualty Actuarial Society Ratemaking Seminar
"The Use of Profitability Models in Insurance Ratemaking"

Orlando, Florida, October 24, 1990,
Financial Management Association Annual Meeting,
"Current Issues in Insurance Rate Regulation: California Prop. 103 and Pennsylvania Act 6"

New Brunswick, New Jersey, May 18, 1990,
Joint Conference on Workers' Compensation,
"Current State Issues and Benefit Reforms"

Orlando, Florida, May 8, 1990,
National Association of Insurance Commissioners Southeast Zone Raters Conference,
"Loss Cost Rating for Workers' Compensation"

Orlando, Florida, April 3, 1990,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Medical Costs in Workers' Compensation: Recent Trends in Cost Containment"

Philadelphia, Pennsylvania, March 15, 1990,
CAS Ratemaking Seminar,
"Rate of Return Models in Insurance Regulation: Return on Sales vs. Return on Equity"

Chicago, Illinois, November 10, 1989,
Alliance of American Insurers Research Committee,
"Recent Developments in Rate Regulation: California Proposition 103"

New York, New York, October 5, 1989,
NCCI Legal Trends Seminar,
"Medical Cost Containment in Workers' Compensation"

Philadelphia, Pennsylvania, September 7, 1989,
Workers' Compensation Congress,
"Medical Cost Containment in Workers' Compensation"

Denver, Colorado, August 21, 1989,
American Risk and Insurance Association Annual Meeting,
"Regulatory Survival: Rate Changes in Workers' Compensation" (with Richard J. Butler)

Hilton Head, South Carolina, April 4, 1989,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"Prospects for Workers' Compensation in the 1990's"

Mountain Lakes, New Jersey, March 29, 1989,
St. Clares-Riverside Medical Center,
"Stress in the Workplace"

Dallas, Texas, March 16, 1989,
Casualty Actuarial Society Ratemaking Seminar,
"The Impact of Tax Reform on Insurance Profitability"

New Orleans, Louisiana, December 15, 1988,
NAIC-NCCI Commissioners School,
"A Forecast for Workers' Compensation"

Philadelphia, Pennsylvania, November 17, 1988,
Economic Issues in Workers' Compensation Seminar,
"The Impact of Regulation on the Probability of Insolvency" (with John D. Worrall and David Durbin)

Boston, Massachusetts, November 14, 1988,
American Public Health Association Annual Meeting,
"Stress in the Workplace"

Atlanta, Georgia, September 14, 1988,
Casualty Loss Reserve Seminar,
"Estimating the Cost of Social Inflation in Workers' Compensation"

Reno, Nevada, August 15, 1988,
American Risk and Insurance Association Annual Meeting,
"Benefit Increases in Workers' Compensation"

New York, New York, June 13, 1988,
National Association Of Insurance Commissioners Annual Meeting,
"Alternative Rate of Return Models for Insurance Regulation"

Syracuse, New York, May 5, 1988,
Current Issues in Workers' Compensation Symposium,
"Workers' Compensation Stress Claims"

Hilton Head, South Carolina, April 22, 1988,
Workers' Compensation Reinsurance Bureau Annual Meeting,
"A Forecast for Workers' Compensation Insurers"

Absecon, New Jersey, April 19, 1988,
Pennsylvania Coal Mine Rating Bureau Annual Meeting,
"The Use of Rate of Return Models in Insurance Rate Regulation"

Philadelphia, Pennsylvania, November 17, 1987,
Economic Issues in Workers' Compensation Seminar,
"The Transition to Permanent Disability Status" (with John D. Worrall and David Durbin)

Charlotte, North Carolina, October 20, 1987,
American Insurance Association Government Affairs Conference,
"Prospects for Workers' Compensation in 1988"

Minneapolis, Minnesota, September 29, 1987,
Minnesota Workers' Compensation Reinsurance Association Annual Meeting,
"Economic and Demographic Characteristics of Workers' Compensation Claims"

Airlie, Virginia, July 7, 1987,
National Symposium on Workers' Compensation,
"Forecasting Workers' Compensation Experience"

Santa Clara, California, June 30, 1987,
Symposium on Recent Advances in Ratemaking,

"Econometric Models of Workers' Compensation Losses"

Storrs, Connecticut, May 1, 1987,
University of Connecticut Symposium on Current Issues in Workers' Compensation,
"Current Research in Workers' Compensation"

Philadelphia, Pennsylvania, April 16, 1987,
Wharton School Graduate Seminar Series,
"Impact of Tax Reform on Workers' Compensation Profitability"

Boca Raton, Florida, December 4, 1986,
National Association of Insurance Commissioners/NCCI Commissioners School,
Panel Discussion on Current Issues in Workers' Compensation

Philadelphia, Pennsylvania, November 7, 1985,
Wharton School, University of Pennsylvania, Graduate Seminar Series,
"Litigation in Workers' Compensation"

Vancouver, British Columbia, August 19, 1985,
American Risk and Insurance Association Annual Meeting,
"Earnings Loss and Permanent Disability"

Washington, D.C., April 23, 1985,
Washington Conference on the Economics of Disability,
"Employment Effects of Workers' Compensation Insurance"

Schenectady, New York, January 18, 1985,
Union University Graduate Business Seminar Series,
"The Use of Modern Portfolio Theory in Insurance Regulation"

EXPERT TESTIMONY

Tallahassee, Florida, January 23, 2008
Hartford Insurance Group Homeowners Insurance Rate Hearing

Boston, Massachusetts, January 9, 2008
Commerce Insurance Group Auto Insurance Rate Hearing

San Francisco, California, November 29, 2007
Explorer Insurance Company Automobile Rate Hearing

Santa Fe, New Mexico, November 19, 2007
Annual Title Insurance Rate Hearing

Reno, Nevada, June 14, 2007
Public Hearing Regarding Merger Between UnitedHealth Group and Sierra Health Systems

Austin, Texas, May 31, 2007
State Farm Lloyds Homeowners Rate Hearing

Reno, Nevada, October 26, 2006
Public Hearing Regarding Demutualization of Employers Insurance Group

San Francisco, California, August 30, 2006
Hearing on Proposed Title Insurance Rate Regulations

Austin, Texas, August 14, 2006
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 28, 2005
Auto Insurance Rate Hearing

Providence, Rhode Island, September 27, 2005
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, August 23, 2005
Safeco Insurance Company Earthquake Rate Hearing

Boston, Massachusetts, April 15, 2005
Massachusetts Workers Compensation Rate Hearing

Lawrence, Massachusetts, February 14, 2005
Highground, Inc. v. Mazonson

New York, NY, January 21, 2005
NFHA v. Prudential Deposition

Austin, Texas, July 13, 2004
Medical Protective Insurance Company Medical Malpractice Insurance Rate Hearing

Austin, Texas, December 16, 2003
Biennial Title Insurance Rate Hearing

Providence, Rhode Island, November 17, 2003
Norcal Medical Malpractice Insurance Rate Hearing

San Francisco, California, September 16, 2003
Century National Proposition 103 Rollback Hearing

Austin, Texas, September 11, 2003
Farmers Insurance Exchange Homeowner Rate Rollback Hearing

Austin, Texas, September 2, 2003
State Farm Lloyds Homeowners Rate Rollback Hearing

Austin, Texas, May 21, 2003
Farmers Insurance Group Settlement Hearing

Boston, Massachusetts, April 29, 2003
Massachusetts Workers Compensation Rate Hearing

Los Angeles, California, March 12, 2003
SCPIE Medical Malpractice Rate Hearing

Raleigh, North Carolina, July 17, 2002
Auto Insurance Rate Hearing

Tallahassee, Florida, February 25, 2002
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, February 5, 2002
Biennial Title Insurance Rate Hearing

Raleigh, North Carolina, September 24, 2001
Auto Insurance Rate Hearing

Boston, Massachusetts, August 14, 2001
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, March 6, 2001
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 23, 2000
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, December 7, 1999
Texas Auto Insurance Plan Association Rate Hearing

Raleigh, North Carolina, December 3, 1999
Auto Insurance Rate Hearing

Austin, Texas, November 3, 1999
Biennial Title Insurance Rate Hearing

Austin, Texas, September 8, 1999
Texas Auto Benchmark Rate Hearing

Boston, Massachusetts, August 13, 1999
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, June 22, 1999
Texas Property Benchmark Rate Hearing
Honolulu, Hawaii, December 16, 1998
NCCI Workers Compensation Insurance Rate Hearing

Richmond, Virginia, November 15, 1998
NCCI Workers Compensation Insurance Rate Hearing

Boston, Massachusetts, October 9, 1998
Massachusetts Auto Insurance Bureau Rate Hearing

Austin, Texas, May 19, 1998
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, April 7, 1998
Auto Insurance Benchmark Rate Hearing

Austin, Texas, February 17, 1998
Property Insurance Benchmark Rate Hearing

Austin, Texas, November 18, 1997
Biennial Title Insurance Rate Hearing

Tallahassee, Florida, September 8, 1997
NCCI Workers Compensation Insurance Rate Hearing

Austin, Texas, April 8, 1997
Texas Auto Insurance Plan Association Rate Hearing

Austin, Texas, March 10, 1997
Auto Insurance Benchmark Rate Hearing

San Francisco, California, March 4, 1997
Insurance Department Hearing on Rating Factors

Raleigh, North Carolina, July 16, 1996
Auto Insurance Rate Hearing

San Francisco, California, March 11, 1996
Century National Proposition 103 Rollback Hearing

Sacramento, California, January 30, 1996
Hartford Steam Boiler Proposition 103 Rollback Hearing

San Francisco, California, January 8, 1996
SAFECO Insurance Company Earthquake Rate Hearing

Austin, Texas, December 21, 1995
Residential Property Insurance Benchmark Rate Hearing

Clearwater, Florida, December 8, 1995
Florida Windstorm Underwriting Association Rate Hearing

Austin, Texas, November 28, 1995
Private Passenger Auto Insurance Benchmark Rate Hearing

Austin, Texas, October 31, 1995
Texas Automobile Insurance Plan Association Rate Hearing
Sacramento, California, April 18, 1995
California Insurance Department Hearing on Auto Insurance Rating Factors

Portland, Maine, April 13, 1995
Workers Compensation Assigned Risk Pool Fresh Start Hearing

San Francisco, California, February 6, 1995
Farmers Insurance Group Earthquake Insurance Rate Hearing

Austin, Texas, January 6, 1995
Special Hearing on Classification Rules for Automobile Insurance

Austin, Texas, December 15, 1994
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, October 4, 1994
Texas Automobile Insurance Plan Association Rate Hearing

Austin, Texas, September 27, 1994
Private Passenger Auto Insurance Benchmark Rate Hearing

Raleigh, North Carolina, July 19, 1994
Private Passenger Auto Insurance Rate Hearing

San Francisco, California, December 22, 1993
Century National Homeowner's Insurance Rate Hearing

Raleigh, North Carolina, October 13, 1993
Homeowners/Farmowners Insurance Rate Hearing

Tallahassee, Florida, October 4, 1993
Workers' Compensation Insurance Rate Hearing

Boston, Massachusetts, September 9, 1993
Automobile Insurance Rate Hearing

Austin, Texas, March 4, 1993
Residential Property Insurance Benchmark Rate Hearing

Austin, Texas, February 10, 1993
Automobile Insurance Benchmark Rate Hearing

Honolulu, Hawaii, November 18, 1992
Liberty Mutual Insurance Automobile Rate Hearing

Raleigh, North Carolina, November 13, 1992
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 29, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 14, 1992

Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, September 24, 1992
Workers' Compensation Insurance Rate Hearing
Nashville, Tennessee, May 27, 1992
Workers' Compensation Insurance Rate Hearing

San Francisco, California, May 13, 1992
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, April 10, 1992
Mercury General Proposition 103 Rollback Proceedings

Austin, Texas, January 27, 1992
Texas Automobile Insurance Plan Rate Hearing

Austin, Texas, December 17, 1991
Automobile Insurance Rate Hearing

Raleigh, North Carolina, December 16, 1991
Workers' Compensation Insurance Rate Hearing

San Francisco, California, October 22, 1991
Workers' Compensation Rate Hearing

Los Angeles, California, May 23, 1991,
Proposition 103 RCD-2 Proceedings

San Francisco, California, April 9, 1991
California Workers' Compensation Rate Study Commission

Nashville, Tennessee, March 20, 1991
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, March 12, 1991,
California Workers' Compensation Rate Study Commission

Olympia, Washington, February 26, 1991,
House Financial Institutions/Insurance Committee Hearing on Rules for Insurance Regulatory Legislation

Olympia, Washington, November 27, 1990,
Insurance Department Public Hearing on Proposed Rules for Ratemaking

Harrisburg, Pennsylvania, November 12, 1990,
Allstate Insurance Company Automobile Insurance Rate Hearing

Tallahassee, Florida, November 1, 1990,
Scanlan v. Martinez, et.al., Superior Court of Leon County

San Bruno, California, October 1, 1990,
SAFECO Insurance Group Proposition 103 Rate Rollback Hearing

Austin, Texas, July 23, 1990,
Texas State Board of Insurance Special Hearing on Investment Income in Ratemaking

Harrisburg, Pennsylvania, July 18, 1990,
Pennsylvania National Mutual Insurance Company Automobile Insurance Rate Hearing

Harrisburg, Pennsylvania, June 28, 1990,
Harleysville Mutual Insurance Company Automobile Insurance Rate Hearing
Columbia, South Carolina, March 30, 1990,
Workers' Compensation Insurance Rate Hearing

San Bruno, California, March 19, 1990,
California Proposition 103 Generic Hearing

Denver, Colorado, December 12, 1989,
Workers' Compensation Insurance Rate Hearing

Tampa, Florida, October 23, 1989,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 17, 1989,
Workers' Compensation Insurance Rate Hearing

Los Angeles, California, September 25, 1989,
SAFECO Insurance Company of America Proposition 103 Rate Hearing

Austin, Texas, August 29, 1989,
Texas Insurance Advisory Association Property Insurance Rate Hearing

Providence, Rhode Island, April 13, 1989,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, January 24, 1989,
Workers' Compensation Insurance Rate Hearing

Hartford, Connecticut, November 14, 1988,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 3, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, November 2, 1988,
Workers' Compensation Insurance Rate Hearing

Montgomery, Alabama, June 30, 1988,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, March 24, 1988,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, October 27, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, October 9, 1987,
Workers' Compensation Insurance Rate Hearing

Atlanta, Georgia, August 6, 1987,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, February 24, 1987,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 14, 1986,
Workers' Compensation Insurance Rate Hearing
Austin, Texas, November 18, 1986,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, May 28, 1986,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, December 6, 1985,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, October 10, 1985,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, July 23, 1985,
Workers' Compensation Insurance Rate Hearing

Austin Texas, June 14, 1985,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, November 18, 1984,
Workers' Compensation Insurance Rate Hearing

Austin, Texas, August 29, 1984,
Workers' Compensation Insurance Rate Hearing

Portland, Oregon, March 6, 1984,
National Association of Insurance Commissioners,
Public Hearing on Investment Income and Insurance Profitability

Tallahassee, Florida, February 25, 1984,
Workers' Compensation Insurance Rate Hearing

Tallahassee, Florida, August 18, 1983,
Workers' Compensation Insurance Rate Hearing

Austin Texas, July 13, 1983,
Workers' Compensation Insurance Rate Hearing

Oklahoma City, Oklahoma, March 6, 1983,
Workers' Compensation Insurance Rate Hearing

Baton Rouge, Louisiana, March 16, 1982,
Louisiana Insurance Commission Public Hearing on Investment Income

Providence, Rhode Island, February 3, 1982,
Workers' Compensation Insurance Rate Hearing

Augusta, Maine, October 1, 1981,
Workers' Compensation Insurance Rate Hearing

Exhibit RB-34

Property-casualty vs S&P 500			
1980-98			
		Average Annual Return	Annualized Standard Deviation
1994-98	P/C	22.41%	18.84%
	S&P500	24.75%	17.09%
1989-93	P/C	13.85%	18.39%
	S&P500	15.31%	14.80%
1984-88	P/C	25.85%	24.52%
	S&P500	15.79%	20.90%
1980-83	P/C	22.73%	22.24%
	S&P500	17.86%	18.17%
1980-1998	P/C	21.13%	20.87%
	S&P500	18.46%	17.78%

Sources:

Compustat Research Insight, 12/31/98 CD Rom.

Ibbotson, SBBI 1998 Year Book, Large Company Stocks:

Total Returns, pp 184-185.

Ibbotson, SBBI, Year-end Summary Report 1998, Basic Series,

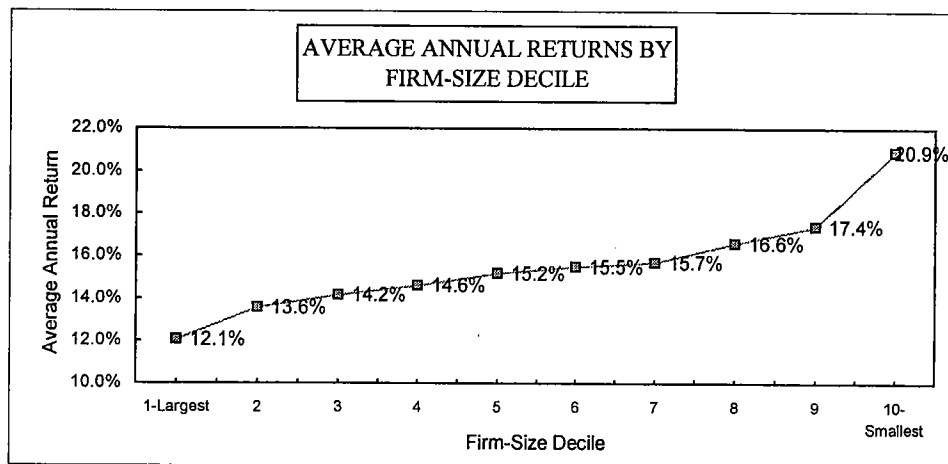
Large Company Stocks, Total Return, pp 9.

Exhibit RB-35

Page 1

Average Annual Returns for NYSE/AMEX/NASDAQ Firms
Arranged into Firm-size Deciles
Based on Market Capitalization

Firm-Size Decile	Average Annual Return 1926-2000
1-Largest	12.1%
2	13.6%
3	14.2%
4	14.6%
5	15.2%
6	15.5%
7	15.7%
8	16.6%
9	17.4%
10-Smallest	20.9%
Mid-Cap 3-5	14.5%
Low-Cap 6-8	15.8%
Micro-Cap 9-10	18.4%
NYSE Total Value Weighted Index	12.6%



Source: Ibbotson Associates, "Stocks, Bonds, Bills, and Inflation 2001 Yearbook",
(Chicago: Ibbotson Associates, 2001), pp. 112.

Exhibit RB-35

Page 2

**Market Capitalizations and
Distribution of Property-Casualty
Companies by Firm Size**

Firm-Size Decile	Property-Casualty Companies			
	17 Insurers Used by Vander Weide		78 Other Public Companies	
	No. of Cos	% of Cos	No. of Cos	% of Cos
1-largest	4	23.5%	2	2.6%
2	3	17.6%	6	7.7%
3	7	41.2%	2	2.6%
4	2	11.8%	6	7.7%
5	1	5.9%	6	7.7%
6	0	0.0%	6	7.7%
7	0	0.0%	8	10.3%
8	0	0.0%	6	7.7%
9	0	0.0%	0	0.0%
10-smallest	0	0.0%	36	46.2%
Number of Companies	17	100.0%	78	100.0%
Average Decile	2.6		7.4	
Median Market Capitalization	\$3,769 million		\$210 million	
Average Market Capitalization	\$7,099 million		\$2,346 million	

Sources:

Standard & Poor's Compustat, Research Insight, 12/31/01 CD Rom.
 Ibbotson Associates, "Stocks, Bonds, Bills, and Inflation 2001 Yearbook",
 (Chicago: Ibbotson Associates, 2001), pp. 134.

Exhibit RB-35

Page 3

**Distribution of North Carolina Private Passenger Automobile Insurers
By 2000 Statutory Surplus**

Firm-Size Decile*	17 Insurers Used by Vander Weide		67 Other Automobile Insurers	
	No. of Insurers	% of Insurers	No. of Insurers	% of Insurers
1-largest	16	94.1%	40	59.7%
2	1	5.9%	13	19.4%
3	0	0.0%	7	10.4%
4	0	0.0%	3	4.5%
5	0	0.0%	1	1.5%
6	0	0.0%	1	1.5%
7	0	0.0%	1	1.5%
8	0	0.0%	1	1.5%
9	0	0.0%	0	0.0%
10-smallest	0	0.0%	0	0.0%
Number of Companies	17	100.0%	67	100.0%
Median Statutory Surplus	\$1,273	Million	\$556	Million
Average Statutory Surplus	\$2,260	Million	\$2,847	Million

*Firms were grouped into 10 size classes on the basis of the countrywide 2000 statutory surplus.

Source:

Data fr OneSource, P&C Finance Database, Jan. 2002 Ed.

Data fr Best's Insurance Reports P/C, Volumes I and II, 2001 Ed.

NCRB - PRO FORMA STATUTORY RETURN			
PRIVATE PASSENGER AUTO LIABILITY			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	65.16%		
Commission & Brokerage	10.00%		
General Expense	6.89%		
Other Acquisition Expense	7.85%		
Taxes, Licenses and Fees	2.10%		
2. Pro-Forma Underwriting Profit	8.00%		
3. Installment Fee Income	1.12%		
4. Regular tax		3.19%	
5. Additional tax due to TRA		0.10%	
6. Return from Underwriting (post-tax)			5.83%
7. Investment Gain on Insurance Transaction	4.39%		
Less Investment Income on Agents Balances	0.84%		
Net Investment Gain on Insurance Transaction	3.56%	0.92%	2.63%
8. Statutory Return as a % of Premium (post-tax)			8.46%
9. Premium-to-Net Worth Ratio			0.891
10. Statutory Return as a % of Net Worth (post-tax)			7.54%

Note: Lines (1) to (8) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.00%
(c) Inv. Yield =	5.44%
(d) P/S Ratio =	1.06
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	1.12%
(g) Additional TRA tax=	0.10%

NOTES TO EXHIBIT RB-36, Page 1

1. The expense provisions are those used on page C-1 of Exhibit RB-1, adjusted to reflect the liability basic limits premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-10. Investment income on agents' balances equals $.145 \times 1.031 \times (c)$, where .145 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(6.) + (7.)$.
9. $(d.)/(e.)$.
10. $(8.) \times (9.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-36, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-36, pp. 11-13; average of current and embedded yields.
- (d) See RB-36, p. 14
- (e) See RB-36, pp. 15.
- (f) See RB-36, p. 3
- (g) See RB-36; pp. 4-6

**NCRB - PRO FORMA STATUTORY RETURN
ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS
PRIVATE PASSENGER AUTO LIABILITY**

	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	65.16%		
Commission & Brokerage	10.00%		
General Expense	6.89%		
Other Acquisition Expense	7.85%		
Taxes, Licenses and Fees	2.10%		
2. Pro-Forma Underwriting Profit	8.00%		
3. Installment Fee Income	1.12%		
4. Regular tax		3.19%	
5. Additional tax due to TRA		0.10%	
6. Return from Underwriting (post-tax)			5.83%
7. Investment Gain on Insurance Transaction	4.39%		
Less Investment Income on Agents Balances	0.84%		
Net Investment Gain on Insurance Transaction	3.56%	0.92%	2.63%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	5.44%	1.42%	4.03%
9. Total Return as a % of Premium (post-tax)			12.49%
10. Premium-to-Net Worth Ratio			0.891
11. Total Return as a % of Net Worth (post-tax)			11.13%

Note: Lines (1) to (9) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.00%
(c) Inv. Yield =	5.44%
(d) P/S Ratio =	1.06
(e) NW/S Ratio =	1.19
(f) Installment Fee Income =	1.12%
(g) Additional TRA tax =	0.10%

NOTES TO EXHIBIT RB-36, Page 1A

1. The expense provisions are those used on page C-1 of Exhibit RB-1, adjusted to reflect the liability basic limits premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-10. Investment income on agents' balances equals $.145 \times 1.031 \times (c)$, where .145 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(c.)/(d.) + (\text{prepaid expenses/premium})*(c.)$.
9. $(6) + (7) + (8)$.
10. $(d.) / (e.)$.
10. $(9.) \times (10.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-36, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-36, pp. 11-13; average of current and embedded yields.
- (d) See RB-36, p. 14
- (e) See RB-36, pp. 15.
- (f) See RB-36, p. 3
- (g) See RB-36, pp. 4-6

NORTH CAROLINA
PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME
(in thousands)

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1997	25,670	1,850,184	1,213,426	3,063,610	0.84%
1998	26,860	1,880,844	1,330,395	3,211,239	0.84%
1999	32,058	1,873,493	1,427,542	3,301,035	0.97%
2000	32,936	1,758,477	1,484,735	3,243,212	1.02%
2001	38,858	1,893,769	1,571,089	3,464,858	1.12%
2002	36,805	1,985,194	1,743,154	3,728,348	0.99%
2003	44,105	2,154,552	1,761,240	3,915,792	1.13%
2004	42,329	2,141,604	1,715,924	3,857,528	1.10%
2005	48,100	2,271,283	1,880,120	4,151,403	1.16%
2006	50,874	2,371,902	1,839,600	4,211,502	1.21%
Selected Five Year Average					1.12%

Source: ISO.

**NORTH CAROLINA
PRIVATE PASSENGER AUTO LIABILITY**

ESTIMATION OF TRA TAXABLE INCOME

1 Earned Premium (current year)	100.00%
2 UEPR (previous year)	28.58%
3 UEPR (current year)	29.55%
4 Increase = (3)-(2)	0.96%
5 20% of Increase = Taxable Income	0.19%
6 Tax Liability = (5)x.35	0.07%
7 Unpaid Losses (current year)	51.41%
8 Discounted unpaid losses (current year)	48.35%
9 Unpaid Losses (previous year)	49.73%
10 Discounted unpaid losses (previous year)	46.77%
11 Additional Income	0.10%
12 Tax Liability	0.03%
Other Tax Liabilities	
13 UEP	0.07%
14 Discounting of Loss Reserves	0.03%
15 Total	0.10%

NORTH CAROLINA
PRIVATE PASSENGER AUTO LIABILITY
CALCULATION OF TAXABLE INCOME

(1) AY Avg Acc Date	(2) AY Pay Pattern	(3) Percent Unpaid	(4) Total Losses	(5) Unpaid Losses
0.5	54.10%	45.90%	65.165	29.9
1.5	79.90%	20.10%	63.038	12.7
2.5	91.40%	8.60%	60.981	5.2
3.5	96.30%	3.70%	58.991	2.2
4.5	98.50%	1.50%	57.066	0.9
5.5	99.40%	0.60%	55.204	0.3
6.5	99.70%	0.30%	53.402	0.2
7.5	99.90%	0.10%	51.659	0.1
8.5	100.00%	0.00%	49.974	0.0
9.5	100.00%	0.00%	48.343	0.0
10.5	100.00%	0.00%	46.765	0.0
11.5	100.00%	0.00%	45.239	0.0
12.5	100.00%	0.00%	43.763	0.0
13.5	100.00%	0.00%	42.334	0.0
14.5	100.00%	0.00%	40.953	0.0
15.5	100.00%	0.00%	39.616	0.0
16.5	100.00%	0.00%	38.324	0.0
17.5	100.00%	0.00%	37.073	0.0
18.5	100.00%	0.00%	35.863	0.0
19.5	100.00%	0.00%	34.693	0.0
20.5	100.00%	0.00%	33.561	0.0
21.5	100.00%	0.00%	32.465	0.0
22.5	100.00%	0.00%	31.406	0.0
23.5	100.00%	0.00%	30.381	0.0
24.5	100.00%	0.00%	29.390	0.0
25.5	100.00%	0.00%	28.430	0.0
26.5	100.00%	0.00%	27.503	0.0
27.5	100.00%	0.00%	26.605	0.0
28.5	100.00%	0.00%	25.737	0.0
29.5	100.00%	0.00%	24.897	0.0
30.5	100.00%	0.00%	24.085	0.0
31.5	100.00%	0.00%	23.299	0.0
32.5	100.00%	0.00%	22.538	0.0
33.5	100.00%	0.00%	21.803	0.0
34.5	100.00%	0.00%	21.091	0.0
35.5	100.00%	0.00%	20.403	0.0
36.5	100.00%	0.00%	19.737	0.0
37.5	100.00%	0.00%	19.093	0.0
38.5	100.00%	0.00%	18.470	0.0
39.5	100.00%	0.00%	17.867	0.0
40.5	100.00%	0.00%	17.284	0.0
41.5	100.00%	0.00%	16.720	0.0
42.5	100.00%	0.00%	16.174	0.0
43.5	100.00%	0.00%	15.647	0.0
44.5	100.00%	0.00%	15.136	0.0
45.5	100.00%	0.00%	14.642	0.0
46.5	100.00%	0.00%	14.164	0.0
47.5	100.00%	0.00%	13.702	0.0
48.5	100.00%	0.00%	13.255	0.0
49.5	100.00%	0.00%	12.822	0.0
50.5	100.00%	0.00%	12.404	0.0
51.5	100.00%	0.00%	11.999	0.0
52.5	100.00%	0.00%	11.607	0.0
53.5	100.00%	0.00%	11.229	0.0
54.5	100.00%	0.00%	10.862	0.0
55.5	100.00%	0.00%	10.508	0.0
56.5	100.00%	0.00%	10.165	0.0
57.5	100.00%	0.00%	9.833	0.0
58.5	100.00%	0.00%	9.512	0.0
59.5	100.00%	0.00%	9.202	0.0
60.5	100.00%	0.00%	8.901	0.0
61.5	100.00%	0.00%	8.611	0.0
62.5	100.00%	0.00%	8.330	0.0
63.5	100.00%	0.00%	8.058	0.0
64.5	100.00%	0.00%	7.795	0.0
65.5	100.00%	0.00%	7.541	0.0
66.5	100.00%	0.00%	7.295	0.0
Sum				51.41

(6) AY at current year end	(7) Discount Factor	(8) Discounted Weight
2007	0.942237	28.2
2006	0.938032	11.9
2005	0.939856	4.9
2004	0.938501	2.0
2003	0.933975	0.8
2002	0.929415	0.3
2001	0.921473	0.1
2000	0.920971	0.0
1999	0.922703	0.0
1998	0.940275	0.0
1997	0.958137	0.0
1996	0.975849	0.0
1995	0.980675	0.0
1994	0.980675	0.0
1993	0.980675	0.0
1992	0.980675	0.0
1991	0.980675	0.0
1990	0.980675	0.0
1989	0.980675	0.0
1988	0.980675	0.0
1987	0.980675	0.0
1986	0.980675	0.0
1985	0.980675	0.0
1984	0.980675	0.0
1983	0.980675	0.0
1982	0.980675	0.0
1981	0.980675	0.0
1980	0.980675	0.0
1979	0.980675	0.0
1978	0.980675	0.0
1977	0.980675	0.0
1976	0.980675	0.0
1975	0.980675	0.0
1974	0.980675	0.0
1973	0.980675	0.0
1972	0.980675	0.0
1971	0.980675	0.0
1970	0.980675	0.0
1969	0.980675	0.0
1968	0.980675	0.0
1967	0.980675	0.0
1966	0.980675	0.0
1965	0.980675	0.0
1964	0.980675	0.0
1963	0.980675	0.0
1962	0.980675	0.0
1961	0.980675	0.0
1960	0.980675	0.0
1959	0.980675	0.0
1958	0.980675	0.0
1957	0.980675	0.0
1956	0.980675	0.0
1955	0.980675	0.0
1954	0.980675	0.0
1953	0.980675	0.0
1952	0.980675	0.0
1951	0.980675	0.0
1950	0.980675	0.0
1949	0.980675	0.0
1948	0.980675	0.0
1947	0.980675	0.0
1946	0.980675	0.0
1945	0.980675	0.0
1944	0.980675	0.0
1943	0.980675	0.0
1942	0.980675	0.0
1941	0.980675	0.0
Sum		48.35

(9) AY at prior year end	(10) Weight	(11) Discount Factor	(12) Discounted Weight
2006	28.9345616	0.942237	27.3
2005	12.2571951	0.938032	11.5
2004	5.07322723	0.939856	4.8
2003	2.11143837	0.938501	2.0
2002	0.8280542	0.933975	0.8
2001	0.32041259	0.929415	0.3
2000	0.15497813	0.921473	0.1
1999	0.04997352	0.920971	0.0
1998	0	0.922703	0.0
1997	0	0.940275	0.0
1996	0	0.958137	0.0
1995	0	0.975849	0.0
1994	0	0.980675	0.0
1993	0	0.980675	0.0
1992	0	0.980675	0.0
1991	0	0.980675	0.0
1990	0	0.980675	0.0
1989	0	0.980675	0.0
1988	0	0.980675	0.0
1987	0	0.980675	0.0
1986	0	0.980675	0.0
1985	0	0.980675	0.0
1984	0	0.980675	0.0
1983	0	0.980675	0.0
1982	0	0.980675	0.0
1981	0	0.980675	0.0
1980	0	0.980675	0.0
1979	0	0.980675	0.0
1978	0	0.980675	0.0
1977	0	0.980675	0.0
1976	0	0.980675	0.0
1975	0	0.980675	0.0
1974	0	0.980675	0.0
1973	0	0.980675	0.0
1972	0	0.980675	0.0
1971	0	0.980675	0.0
1970	0	0.980675	0.0
1969	0	0.980675	0.0
1968	0	0.980675	0.0
1967	0	0.980675	0.0
1966	0	0.980675	0.0
1965	0	0.980675	0.0
1964	0	0.980675	0.0
1963	0	0.980675	0.0
1962	0	0.980675	0.0
1961	0	0.980675	0.0
1960	0	0.980675	0.0
1959	0	0.980675	0.0
1958	0	0.980675	0.0
1957	0	0.980675	0.0
1956	0	0.980675	0.0
1955	0	0.980675	0.0
1954	0	0.980675	0.0
1953	0	0.980675	0.0
1952	0	0.980675	0.0
1951	0	0.980675	0.0
1950	0	0.980675	0.0
1949	0	0.980675	0.0
1948	0	0.980675	0.0
1947	0	0.980675	0.0
1946	0	0.980675	0.0
1945	0	0.980675	0.0
1944	0	0.980675	0.0
1943	0	0.980675	0.0
1942	0	0.980675	0.0
1941	0	0.980675	0.0
Sum			46.77

NOTES TO PAGES 4 AND 5

Page 4

- 1 Current year earned premium
- 2 Estimated prior year UEPR as percent of current year earned premium given assumed premium growth rate
- 3 Annual Statement, page 15, UEPR/Earned Premium for all companies writing this line of private passenger automobile insurance in North Carolina.
- 4 Line (3) - line (2)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - [Line (9) - Line (10)]
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern
- 3 1 - Column (2)
- 4 Losses, given assumed historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at current year end
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

NCRB INVESTMENT INCOME CALCULATION
PRIVATE PASSENGER AUTO LIABILITY
 Projected Investment Earnings on Loss, Loss
 Adjustment Expense and Unearned Premium Reserves

A. UNEARNED PREMIUM RESERVES		
1. Direct Earned Premiums		1,000,000
2. Mean UEPR	28.47%	284,700
3. Deductions for prepaid expenses		
Commissions & Brokerage	10.00%	
Taxes, Licenses & Fees	1.75%	
One Half Other Acquisition Expense	3.92%	
One Half General Expense	3.44%	
Total	19.12%	
4. Deduction for Prepaid Expenses: (2) x (3)		54,425
5. Net UEPR Subject to Inv (2) - (4)		230,275
B. Loss and Loss Expense Reserves		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	0.6516	651,649
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	0.886	577,366
C. Net PH Funds Subj to Inv		
(A5 + B3)		807,641
D. Average Rate of Return		
		5.44%
E. Investment Earnings from Net Reserves (C) x (D)		
		43,943
F. Average Rate of Return as a Percent of		
Direct Earned Premium (E) / (A1)		4.39%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 of earned premium.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Auto Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	2,316,658,861
2. Unearned Premium Reserve as of 12/31/2005	634,824,680
3. Unearned Premium Reserve as of 12/31/2006	684,498,941
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	659,661,811
5. Ratio (4) \div (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Auto Liability insurance policies exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in this filing.

Line B-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Private Passenger Auto Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	1,575,388,913
2. Incurred Losses for Calendar Year 2006	1,703,407,276
3. Loss Reserves as of 12/31/2004	1,428,148,692
4. Loss Reserves as of 12/31/2005	1,475,667,865
5. Loss Reserves as of 12/31/2006	1,496,117,471
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	1,451,908,279
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	1,485,892,668
8. Ratio (6) ÷ (1)	0.922
9. Ratio (7) ÷ (2)	0.872
10. Loss Reserve: 1/2 [(8) + (9)]	0.897
11. Ratio of LAE Reserves to Loss Reserves (a)	0.209
12. Ratio of Incurred LAE to Incurred Losses (a)	0.224
13. Loss and LAE Reserve [(10)x(1.0+(11))/(1.0+(12))]	0.886

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER AUTO LIABILITY

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line D

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (shown below), plus the 10-year average ratio of capital gains to invested assets (see Exhibit RB-36 or 37, page 12). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see Exhibit RB-36 or 37, page 11).

Embedded yield =	5.59%
Current yield =	5.29%
Average =	5.44%

PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	12.58%	4.03%	35.00%	2.62%
States & territories	13.56%	3.65%	5.25%	3.46%
Special revenue	22.21%	3.75%	5.25%	3.55%
Public Utilities	1.40%	5.37%	35.00%	3.49%
Industrial	21.07%	5.23%	35.00%	3.40%
Preferred stock	1.34%	6.25%	14.18%	5.36%
Common stock	18.41%	11.79%	31.92%	8.03%
Mortgage Loans	0.30%	6.32%	35.00%	4.11%
Real estate	0.83%	7.63%	35.00%	4.96%
Cash & short-term invs.	8.28%	3.69%	35.00%	2.40%
Rate of Return Pre-Inv Exp	100.00%	5.66%	26.52%	4.16%
Investment Expenses		0.36%	35.00%	0.24%
Portfolio Rate of Return		5.29%	25.94%	3.92%

Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).

Mergent Bond Record.

Standard & Poor's CreditWeek.

Value Line Investment Survey, Part II.

Ibbotson Associates, SBBI Valuation Edition 2007 Yearbook.

Ibbotson and Siegel, AREUEA Journal, 1984.

A.M. Best's Aggregates & Averages, 2007 edition.

PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD		
	Income	Tax Rate
Bonds		
Taxable	25,429,410	35.00%
Non-Taxable	14,446,481	5.25%
Stocks		
Taxable	4,507,468	14.18%
Non-Taxable	2,839,135	5.25%
Mortgage Loans	195,240	35.00%
Real Estate	1,657,734	35.00%
Contract Loans	1,645	35.00%
Cash / Short Term Inv.	4,755,081	35.00%
All Other	5,389,774	35.00%
Total	59,221,968	24.73%
Inv. Expenses	4,573,873	35.00%
Net Inv. Income	54,648,095	23.87%
Mean Invested Assets	1,217,432,187	
Inv. Inc. Yield Rate	4.49%	23.87%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.10%	35.00%
Invest. Yield Rate (pre-tax)	5.59%	26.06%
Invest. Yield Rate (post-tax)	4.13%	

Source: Best's Aggregates and Averages, 2007 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).
Capital Gains: RB-36, page 13

**CAPITAL GAINS OR LOSSES
AS A PERCENT OF MEAN ASSETS**
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
Total	8,971,918,076	98,625,131	1.10%

*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"
various editions

**NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE**

PREMIUM-TO-SURPLUS RATIOS

<u>Year</u>	<u>Liability</u>	<u>Physical Damage</u>
1997	0.969	0.974
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956
Five-Year Average	1.133	1.161
Ten-Year Average	1.057	1.082

Notes:

- 1 Ratios based on net premium written.
- 2 Top 30 Groups in each year from Best's Data Service.
- 3 Premiums and surplus from Best's Aggregate and Averages.

**NORTH CAROLINA PRIVATE PASSENGER AUTO
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2002	2003	2004	2005	2006
Policyholder Surplus	285,385,631,797	347,020,052,576	391,294,425,276	425,759,944,800	486,231,429,443
+ Deferred Acquisition Costs	21,228,221,405	23,633,976,782	25,336,389,277	26,322,460,773	27,351,959,298
+ Non-Admitted DTA Provision	20,975,201,995	18,945,643,538	19,919,892,745	20,389,557,802	19,710,944,304
+ Non-admitted Assets (non-tax part)	15,273,483,824	16,495,566,662	22,629,830,486	23,050,311,315	25,215,840,687
+ Provision for Reinsurance	6,130,614,136	5,802,642,707	5,971,612,606	5,757,810,700	5,407,923,691
+ Provision for FASB 115(after-tax)	10,573,599,824	11,598,154,936	13,697,026,260	4,664,626,701	4,267,041,184
- Surplus Notes	(8,050,443,917)	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)	(10,633,190,656)
GAAP-adjusted Net Worth	351,516,309,064	413,906,868,994	468,279,776,257	494,841,712,392	557,551,947,951
Ratio of GAAP Net Worth to Statutory Surplus	1.23	1.19	1.20	1.16	1.15
Five Year Average	1.19				

Source: ISO

NCRB - PRO FORMA STATUTORY RETURN			
PRIVATE PASSENGER PHYSICAL DAMAGE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	61.52%		
Commission & Brokerage	10.00%		
General Expense	6.91%		
Other Acquisition Expense	8.48%		
Taxes, Licenses and Fees	2.10%		
2. Pro-Forma Underwriting Profit	11.00%		
3. Installment Fee Income	1.12%		
4. Regular tax		4.24%	
5. Additional tax due to TRA		0.08%	
6. Return from Underwriting (post-tax)			7.80%
7. Investment Gain on Insurance Transaction	1.63%		
Less Investment Income on Agents Balances	0.89%		
Net Investment Gain on Insurance Transaction	0.75%	0.19%	0.55%
8. Statutory Return as a % of Premium (post-tax)			8.35%
9. Premium-to-Net Worth Ratio			0.912
10. Statutory Return as a % of Net Worth (post-tax)			7.61%

Note: Lines (1) to (8) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.00%
(c) Inv. Yield =	5.44%
(d) P/S Ratio =	1.08
(e) NW/S Ratio =	1.19
(f) Installment Fee Income=	1.12%
(g) *Additional TRA tax=	0.08%

NOTES TO EXHIBIT RB-37, Page 1

1. The expense provisions are those used on page C-7 of Exhibit RB-1, adjusted to reflect the physical damage premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a.)$.
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)]$.
7. Pages 7-10. Investment income on agents' balances equals $.147 \times 1.031 \times (c)$, where .147 is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(6.) + (7.)$.
9. $(d.)/(e.)$.
10. $(8.) \times (9.)$.

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-37, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-37, pp. 11-13; average of current and embedded yields.
- (d) See RB-37, p. 14
- (e) See RB-37, pp. 15.
- (f) See RB-37, p. 3
- (g) See RB-37, pp. 4-6

NCRB - PRO FORMA STATUTORY RETURN ADJUSTED TO INCLUDE INVESTMENT INCOME ON SURPLUS PRIVATE PASSENGER PHYSICAL DAMAGE			
	Pre-Tax	Tax Liability	Post-Tax
1. Premiums	100.00%		
Loss & Loss Adjustment Expense	61.52%		
Commission & Brokerage	10.00%		
General Expense	6.91%		
Other Acquisition Expense	8.48%		
Taxes, Licenses and Fees	2.10%		
2. Pro-Forma Underwriting Profit	11.00%		
3. Installment Fee Income	1.12%		
4. Regular tax		4.24%	
5. Additional tax due to TRA		0.08%	
6. Return from Underwriting (post-tax)			7.80%
7. Investment Gain on Insurance Transaction	1.63%		
Less Investment Income on Agents Balances	0.89%		
Net Investment Gain on Insurance Transaction	0.75%	0.19%	0.55%
8. Investment Gain on Surplus (Including Prepaid Expense Adjustment)	5.33%	1.38%	3.94%
9. Total Return as a % of Premium (post-tax)			12.29%
10. Premium-to-Net Worth Ratio			0.912
11. Total Return as a % of Net Worth (post-tax)			11.21%

Note: Lines (1) to (9) are all expressed as a % of premium.

Assumptions

(a) UW Tax Rate =	35.00%
(b) Inv. Income Tax Rate =	26.00%
(c) Inv. Yield =	5.44%
(d) P/S Ratio =	1.08
(e) NW/S Ratio =	1.19
(f) Installment Fee Income =	1.12%
(g) Additional TRA tax =	0.08%

NOTES TO EXHIBIT RB-37, Page 1A

1. The expense provisions are those used on page C-7 of Exhibit RB-1, adjusted to reflect the physical damage premium level change implied therein.
2. Selected by Rate Bureau.
3. See assumption (f) below.
4. $[(2.)+(3.)] \times (a).$
5. See assumption (g) below.
6. $(2.) + (3.) - [(4.) + (5.)].$
7. Pages 7-10. Investment income on agents' balances equals $.147 \times 1.031 \times (c)$, where $.147$ is agents' balances for premiums due less than 90 days and 1.031 is the factor to include the effect of agents' balances or uncollected premiums overdue for more than 90 days.
8. $(c.)/(d.) + (\text{prepaid expenses/premium}) \times (c.).$
9. $(6) + (7) + (8).$
10. $(d.) / (e.).$
10. $(9.) \times (10.).$

ASSUMPTIONS

- (a) Internal Revenue Code.
- (b) See RB-37, pp. 11-13; 1-avg post-tax yield/avg pre-tax yield.
- (c) See RB-37, pp. 11-13; average of current and embedded yields.
- (d) See RB-37, p. 14
- (e) See RB-37, pp. 15.
- (f) See RB-37, p. 3
- (g) See RB-37, pp. 4-6

NORTH CAROLINA
PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME
(in thousands)

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1997	25,670	1,850,184	1,213,426	3,063,610	0.84%
1998	26,860	1,880,844	1,330,395	3,211,239	0.84%
1999	32,058	1,873,493	1,427,542	3,301,035	0.97%
2000	32,936	1,758,477	1,484,735	3,243,212	1.02%
2001	38,858	1,893,769	1,571,089	3,464,858	1.12%
2002	36,805	1,985,194	1,743,154	3,728,348	0.99%
2003	44,105	2,154,552	1,761,240	3,915,792	1.13%
2004	42,329	2,141,604	1,715,924	3,857,528	1.10%
2005	48,100	2,271,283	1,880,120	4,151,403	1.16%
2006	50,874	2,371,902	1,839,600	4,211,502	1.21%
Selected Five Year Average					1.12%

Source: ISO.

**NORTH CAROLINA
PRIVATE PASSENGER PHYSICAL DAMAGE**

ESTIMATION OF TRA TAXABLE INCOME

1 Earned Premium (current year)	100.00%
2 UEPR (previous year)	25.65%
3 UEPR (current year)	26.85%
4 Increase = (3)-(2)	1.19%
5 20% of Increase = Taxable Income	0.24%
6 Tax Liability = (5)x.35	0.08%
7 Unpaid Losses (current year)	2.55%
8 Discounted unpaid losses (current year)	2.49%
9 Unpaid Losses (previous year)	2.43%
10 Discounted unpaid losses (previous year)	2.38%
11 Additional Income	0.00%
12 Tax Liability	0.00%
Other Tax Liabilities	
13 UEP	0.08%
14 Discounting of Loss Reserves	0.00%
15 Total	0.08%

NORTH CAROLINA
PRIVATE PASSENGER PHYSICAL DAMAGE
CALCULATION OF TAXABLE INCOME

(1) AY Avg Acc Date	(2) AY Pay Pattern	(3) Percent Unpaid	(4) Total Losses	(5) Unpaid Losses
0.5	96.80%	3.20%	61.515	2.0
1.5	99.30%	0.70%	58.781	0.4
2.5	99.80%	0.20%	56.167	0.1
3.5	99.90%	0.10%	53.670	0.1
4.5	100.00%	0.00%	51.284	0.0
5.5	100.00%	0.00%	49.004	0.0
6.5	100.00%	0.00%	46.826	0.0
7.5	100.00%	0.00%	44.744	0.0
8.5	100.00%	0.00%	42.755	0.0
9.5	100.00%	0.00%	40.854	0.0
10.5	100.00%	0.00%	39.038	0.0
11.5	100.00%	0.00%	37.302	0.0
12.5	100.00%	0.00%	35.644	0.0
13.5	100.00%	0.00%	34.059	0.0
14.5	100.00%	0.00%	32.545	0.0
15.5	100.00%	0.00%	31.098	0.0
16.5	100.00%	0.00%	29.715	0.0
17.5	100.00%	0.00%	28.394	0.0
18.5	100.00%	0.00%	27.132	0.0
19.5	100.00%	0.00%	25.926	0.0
20.5	100.00%	0.00%	24.773	0.0
21.5	100.00%	0.00%	23.672	0.0
22.5	100.00%	0.00%	22.619	0.0
23.5	100.00%	0.00%	21.614	0.0
24.5	100.00%	0.00%	20.653	0.0
25.5	100.00%	0.00%	19.735	0.0
26.5	100.00%	0.00%	18.857	0.0
27.5	100.00%	0.00%	18.019	0.0
28.5	100.00%	0.00%	17.218	0.0
29.5	100.00%	0.00%	16.452	0.0
30.5	100.00%	0.00%	15.721	0.0
31.5	100.00%	0.00%	15.022	0.0
32.5	100.00%	0.00%	14.354	0.0
33.5	100.00%	0.00%	13.716	0.0
34.5	100.00%	0.00%	13.106	0.0
35.5	100.00%	0.00%	12.524	0.0
36.5	100.00%	0.00%	11.967	0.0
37.5	100.00%	0.00%	11.435	0.0
38.5	100.00%	0.00%	10.926	0.0
39.5	100.00%	0.00%	10.441	0.0
40.5	100.00%	0.00%	9.976	0.0
41.5	100.00%	0.00%	9.533	0.0
42.5	100.00%	0.00%	9.109	0.0
43.5	100.00%	0.00%	8.704	0.0
44.5	100.00%	0.00%	8.317	0.0
45.5	100.00%	0.00%	7.947	0.0
46.5	100.00%	0.00%	7.594	0.0
47.5	100.00%	0.00%	7.256	0.0
48.5	100.00%	0.00%	6.934	0.0
49.5	100.00%	0.00%	6.626	0.0
50.5	100.00%	0.00%	6.331	0.0
51.5	100.00%	0.00%	6.050	0.0
52.5	100.00%	0.00%	5.781	0.0
53.5	100.00%	0.00%	5.524	0.0
54.5	100.00%	0.00%	5.278	0.0
55.5	100.00%	0.00%	5.043	0.0
56.5	100.00%	0.00%	4.819	0.0
57.5	100.00%	0.00%	4.605	0.0
58.5	100.00%	0.00%	4.400	0.0
59.5	100.00%	0.00%	4.205	0.0
60.5	100.00%	0.00%	4.018	0.0
61.5	100.00%	0.00%	3.839	0.0
62.5	100.00%	0.00%	3.668	0.0
63.5	100.00%	0.00%	3.505	0.0
64.5	100.00%	0.00%	3.349	0.0
65.5	100.00%	0.00%	3.201	0.0
66.5	100.00%	0.00%	3.058	0.0
Sum				2.55

(6) AY at current year end	(7) Discount Factor	(8) Discounted Weight
2007	0.978981	1.9
2006	0.961907	0.4
2005	0.980675	0.1
2004	0.980675	0.1
2003	0.980675	0.0
2002	0.980675	0.0
2001	0.980675	0.0
2000	0.980675	0.0
1999	0.980675	0.0
1998	0.980675	0.0
1997	0.980675	0.0
1996	0.980675	0.0
1995	0.980675	0.0
1994	0.980675	0.0
1993	0.980675	0.0
1992	0.980675	0.0
1991	0.980675	0.0
1990	0.980675	0.0
1989	0.980675	0.0
1988	0.980675	0.0
1987	0.980675	0.0
1986	0.980675	0.0
1985	0.980675	0.0
1984	0.980675	0.0
1983	0.980675	0.0
1982	0.980675	0.0
1981	0.980675	0.0
1980	0.980675	0.0
1979	0.980675	0.0
1978	0.980675	0.0
1977	0.980675	0.0
1976	0.980675	0.0
1975	0.980675	0.0
1974	0.980675	0.0
1973	0.980675	0.0
1972	0.980675	0.0
1971	0.980675	0.0
1970	0.980675	0.0
1969	0.980675	0.0
1968	0.980675	0.0
1967	0.980675	0.0
1966	0.980675	0.0
1965	0.980675	0.0
1964	0.980675	0.0
1963	0.980675	0.0
1962	0.980675	0.0
1961	0.980675	0.0
1960	0.980675	0.0
1959	0.980675	0.0
1958	0.980675	0.0
1957	0.980675	0.0
1956	0.980675	0.0
1955	0.980675	0.0
1954	0.980675	0.0
1953	0.980675	0.0
1952	0.980675	0.0
1951	0.980675	0.0
1950	0.980675	0.0
1949	0.980675	0.0
1948	0.980675	0.0
1947	0.980675	0.0
1946	0.980675	0.0
1945	0.980675	0.0
1944	0.980675	0.0
1943	0.980675	0.0
1942	0.980675	0.0
1941	0.980675	0.0
Sum		2.49

(9) AY at prior year end	(10) Weight	(11) Discount Factor	(12) Discounted Weight
2006	1.88097766	0.978981	1.8
2005	0.39317105	0.961907	0.4
2004	0.10734043	0.980675	0.1
2003	0.05128415	0.980675	0.1
2002	0	0.980675	0.0
2001	0	0.980675	0.0
2000	0	0.980675	0.0
1999	0	0.980675	0.0
1998	0	0.980675	0.0
1997	0	0.980675	0.0
1996	0	0.980675	0.0
1995	0	0.980675	0.0
1994	0	0.980675	0.0
1993	0	0.980675	0.0
1992	0	0.980675	0.0
1991	0	0.980675	0.0
1990	0	0.980675	0.0
1989	0	0.980675	0.0
1988	0	0.980675	0.0
1987	0	0.980675	0.0
1986	0	0.980675	0.0
1985	0	0.980675	0.0
1984	0	0.980675	0.0
1983	0	0.980675	0.0
1982	0	0.980675	0.0
1981	0	0.980675	0.0
1980	0	0.980675	0.0
1979	0	0.980675	0.0
1978	0	0.980675	0.0
1977	0	0.980675	0.0
1976	0	0.980675	0.0
1975	0	0.980675	0.0
1974	0	0.980675	0.0
1973	0	0.980675	0.0
1972	0	0.980675	0.0
1971	0	0.980675	0.0
1970	0	0.980675	0.0
1969	0	0.980675	0.0
1968	0	0.980675	0.0
1967	0	0.980675	0.0
1966	0	0.980675	0.0
1965	0	0.980675	0.0
1964	0	0.980675	0.0
1963	0	0.980675	0.0
1962	0	0.980675	0.0
1961	0	0.980675	0.0
1960	0	0.980675	0.0
1959	0	0.980675	0.0
1958	0	0.980675	0.0
1957	0	0.980675	0.0
1956	0	0.980675	0.0
1955	0	0.980675	0.0
1954	0	0.980675	0.0
1953	0	0.980675	0.0
1952	0	0.980675	0.0
1951	0	0.980675	0.0
1950	0	0.980675	0.0
1949	0	0.980675	0.0
1948	0	0.980675	0.0
1947	0	0.980675	0.0
1946	0	0.980675	0.0
1945	0	0.980675	0.0
1944	0	0.980675	0.0
1943	0	0.980675	0.0
1942	0	0.980675	0.0
1941	0	0.980675	0.0
Sum			2.38

NOTES TO PAGES 4 AND 5

Page 4

- 1 Current year earned premium
- 2 Estimated prior year UEPR as percent of current year earned premium given assumed premium growth rate
- 3 Annual Statement, page 15, UEPR/Earned Premium for all companies writing this line of private passenger automobile insurance in North Carolina.
- 4 Line (3) - line (2)
- 5 Line (4) x .20.
- 6 Line (5) x .35.
- 7 Unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (5).
- 8 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (8).
- 9 Unpaid prior-year losses at year-end as a percent of premium. Sum of Page 5, Column (5) divided by assumed growth rate.
- 10 Discounted unpaid current-year losses at year-end as a percent of premium. Sum of Page 5, Column (12).
- 11 Line (7) - Line (8) - [Line (9) - Line (10)]
- 12 Line (11) x .35
- 13 Line (6)
- 14 Line (12)
- 15 Line (13) + Line (14)

Page 5

- 1 Midpoint of number of years since end of accident period.
- 2 Accident year payout pattern
- 3 1 - Column (2)
- 4 Losses, given assumed historical growth rate.
- 5 Column (3) x Column (4)
- 6 Accident Year at current year end
- 7 Discount factor per IRS Regulations.
- 8 Column (5) x Column (7)
- 9 Accident Year at prior year end
- 10 Column (3), previous period x Column (4), current period
- 11 Discount factor per IRS Regulations.
- 12 Column (10) x Column (11)

NCRB INVESTMENT INCOME CALCULATION
PRIVATE PASSENGER PHYSICAL DAMAGE
 Projected Investment Earnings on Loss, Loss
 Adjustment Expense and Unearned Premium Reserves

A. UNEARNED PREMIUM RESERVES		
1. Direct Earned Premiums		1,000,000
2. Mean UEPR	27.85%	278,500
3. Deductions for prepaid expenses		
Commissions & Brokerage	10.00%	
Taxes, Licenses & Fees	1.75%	
One Half Other Acquisition Expense	4.24%	
One Half General Expense	3.45%	
Total	19.44%	
4. Deduction for Prepaid Expenses: (2) x (3)		54,150
5. Net UEPR Subject to Inv (2) - (4)		224,350
B. Loss and Loss Expense Reserves		
1. Direct Earned Premium		1,000,000
2. Expected Inc L & LAE to Premium Ratio	0.6152	615,154
3. Expected Mean L&LAE Reserve to Inc. L & LAE Ratio	0.124	75,975
C. Net PH Funds Subj to Inv (A5 + B3)		300,325
D. Average Rate of Return		5.44%
E. Investment Earnings from Net Reserves (C) x (D)		16,340
F. Average Rate of Return as a Percent of Direct Earned Premium (E) / (A1)		1.63%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

All calculations are displayed per \$1,000,000 of earned premium.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Physical Damage insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	1,876,085,747
2. Unearned Premium Reserve as of 12/31/2005	541,349,397
3. Unearned Premium Reserve as of 12/31/2006	503,682,512
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	522,515,955
5. Ratio (4) \div (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Physical Damage insurance policies exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line B-2

The expected loss and loss adjustment expense ratio reflects the expense provisions used in this filing.

Line B-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Private Passenger Physical Damage insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	913,689,890
2. Incurred Losses for Calendar Year 2006	999,416,417
3. Loss Reserves as of 12/31/2004	91,476,044
4. Loss Reserves as of 12/31/2005	85,263,193
5. Loss Reserves as of 12/31/2006	83,497,488
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	88,369,619
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	84,380,341
8. Ratio (6) ÷ (1)	0.097
9. Ratio (7) ÷ (2)	0.084
10. Loss Reserve: 1/2 [(8) + (9)]	0.091
11. Ratio of LAE Reserves to Loss Reserves (a)	0.592
12. Ratio of Incurred LAE to Incurred Losses (a)	0.173
13. Loss and LAE Reserve [(10)x(1.0+(11))/(1.0+(12))]	0.124

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PRIVATE PASSENGER PHYSICAL DAMAGE

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line D

The average rate of return is calculated as the arithmetic mean of the embedded and current yields. The embedded yield is the sum of two ratios: the most recent ratio of investment income to invested assets (shown below), plus the 10-year average ratio of capital gains to invested assets (see Exhibit RB-36 or 37, page 12). The current yield is the estimated, currently available rate of return (including income and expected capital gains) on the property/casualty industry investment portfolio (see Exhibit RB-36 or 37, page 11).

Embedded yield =	5.59%
Current yield =	5.29%
Average =	5.44%

PORTFOLIO YIELD AND TAX RATE - CURRENT YIELD				
(1)	(2)	(3)	(4)	(5)
Investable Asset	Percent of Assets	Estimated Prospective Pre-Tax Return	Tax Rate	Estimated Prospective Post-Tax Return
Bonds				
U.S. Govt	12.58%	4.03%	35.00%	2.62%
States & territories	13.56%	3.65%	5.25%	3.46%
Special revenue	22.21%	3.75%	5.25%	3.55%
Public Utilities	1.40%	5.37%	35.00%	3.49%
Industrial	21.07%	5.23%	35.00%	3.40%
Preferred stock	1.34%	6.25%	14.18%	5.36%
Common stock	18.41%	11.79%	31.92%	8.03%
Mortgage Loans	0.30%	6.32%	35.00%	4.11%
Real estate	0.83%	7.63%	35.00%	4.96%
Cash & short-term invs.	8.28%	3.69%	35.00%	2.40%
Rate of Return Pre-Inv Exp	100.00%	5.66%	26.52%	4.16%
Investment Expenses		0.36%	35.00%	0.24%
Portfolio Rate of Return		5.29%	25.94%	3.92%

Sources:

Various issues of Federal Reserve Statistical Release, H.15(519).

Mergent Bond Record.

Standard & Poor's CreditWeek.

Value Line Investment Survey, Part II.

Ibbotson Associates, SBBI Valuation Edition 2007 Yearbook.

Ibbotson and Siegel, AREUEA Journal, 1984.

A.M. Best's Aggregates & Averages, 2007 edition.

PORTFOLIO YIELD AND TAX RATE EMBEDDED YIELD		
	Income	Tax Rate
Bonds		
Taxable	25,429,410	35.00%
Non-Taxable	14,446,481	5.25%
Stocks		
Taxable	4,507,468	14.18%
Non-Taxable	2,839,135	5.25%
Mortgage Loans	195,240	35.00%
Real Estate	1,657,734	35.00%
Contract Loans	1,645	35.00%
Cash / Short Term Inv.	4,755,081	35.00%
All Other	5,389,774	35.00%
Total	59,221,968	24.73%
Inv. Expenses	4,573,873	35.00%
Net Inv. Income	54,648,095	23.87%
Mean Invested Assets	1,217,432,187	
Inv. Inc. Yield Rate	4.49%	23.87%
Capital Gains (10 yr. avg) (% Of Inv. Assets)	1.10%	35.00%
Invest. Yield Rate (pre-tax)	5.59%	26.06%
Invest. Yield Rate (post-tax)	4.13%	

Source: Best's Aggregates and Averages, 2007 Edition, p. 12 (Exhibit of Net Investment Income, Col. 2 (Earned During Year)).
Capital Gains: RB-37, page 13

**CAPITAL GAINS OR LOSSES
AS A PERCENT OF MEAN ASSETS**
(All amounts in thousands of dollars)

Calendar Year	Mean Total Invested Assets	Realized Capital Gains	
		Amount	Percent
1997	733,433,983	10,807,929	1.47%
1998	781,421,247	18,019,189	2.31%
1999	797,920,622	13,016,157	1.63%
2000	794,195,460	16,204,649	2.04%
2001	785,530,275	6,630,679	0.84%
2002	815,037,267	2,770,997	0.34%
2003	908,024,056	6,280,196	0.69%
2004	1,018,810,319	9,113,199	0.89%
2005	1,120,112,663	12,194,908	1.09%
2006	1,217,432,187	3,587,228	0.29%
Total	8,971,918,076	98,625,131	1.10%

*Mean total invested assets is the average of the current year and prior year values of total invested assets (annual statement page 2, Line 9).

Source: "Best's Aggregates & Averages--Property-Casualty,"
various editions

**NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE**

PREMIUM-TO-SURPLUS RATIOS

<u>Year</u>	<u>Liability</u>	<u>Physical Damage</u>
1997	0.969	0.974
1998	0.931	0.946
1999	0.898	0.929
2000	0.951	0.980
2001	1.159	1.182
2002	1.377	1.400
2003	1.189	1.236
2004	1.089	1.109
2005	1.080	1.102
2006	0.928	0.956
Five-Year Average	1.133	1.161
Ten-Year Average	1.057	1.082

Notes:

- 1 Ratios based on net premium written.
- 2 Top 30 Groups in each year from Best's Data Service.
- 3 Premiums and surplus from Best's Aggregate and Averages.

**NORTH CAROLINA PRIVATE PASSENGER AUTO
CALCULATION OF GAAP NET WORTH TO SURPLUS RATIO**

	2002	2003	2004	2005	2006
Policyholder Surplus	285,385,631,797	347,020,052,576	391,294,425,276	425,759,944,800	486,231,429,443
+ Deferred Acquisition Costs	21,228,221,405	23,633,976,782	25,336,389,277	26,322,460,773	27,351,959,298
+ Non-Admitted DTA Provision	20,975,201,995	18,945,643,538	19,919,892,745	20,389,557,802	19,710,944,304
+ Non-admitted Assets (non-tax part)	15,273,483,824	16,495,566,662	22,629,830,486	23,050,311,315	25,215,840,687
+ Provision for Reinsurance	6,130,614,136	5,802,642,707	5,971,612,606	5,757,810,700	5,407,923,691
+ Provision for FASB 115(after-tax)	10,573,599,824	11,598,154,936	13,697,026,260	4,664,626,701	4,267,041,184
- Surplus Notes	(8,050,443,917)	(9,589,168,207)	(10,569,400,392)	(11,102,999,699)	(10,633,190,656)
GAAP-adjusted Net Worth	351,516,309,064	413,906,868,994	468,279,776,257	494,841,712,392	557,551,947,951
Ratio of GAAP Net Worth to Statutory Surplus	1.23	1.19	1.20	1.16	1.15
Five Year Average	1.19				

Source: ISO