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April 9, 1997

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Amendments - Rule 5.B.1.a.(2)

Safe Driver Insurance Plan

Personal Auto Manual

The Commissioner of Insurance has approved amendments to Rule 5.B.1.a.(2) in the Personal Auto Manual which were filed on behalf of the member companies of this Rate Bureau and the North Carolina Reinsurance Facility. On the reverse side hereof is a memorandum which sets forth the approved amendments.

This proposal amends the Safe Driver Insurance Plan to specifically recognize the offense of "speeding to elude arrest" and to provide for a 10-point surcharge for a conviction of the offense. At the present time Aspeeding to elude arrest@ is recognized as a miscellaneous moving traffic violation and a conviction for the offense would result in one surcharge point.

These amendments become effective July 1, 1997 in accordance with the following Rule of Application:

These amendments apply to all new and renewal policies written on or after July 1, 1997.

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

Very truly yours,

John W. Watkins

General Manager

JWW:lg

Enclosure

JERRY & MAMRICK Workers Companies Masses

> DAVID E STVK, JR Accessoing Macager

CHARLES & TAYLOR Pesseel Liess Masage A-97-4