



July 17, 2009

Honorable Wayne Goodwin  
Commissioner of Insurance  
North Carolina Department of Insurance  
P.O. Box 26387  
Raleigh, North Carolina 27611

RE: Revision of Automobile Insurance Rates –  
North Carolina Reinsurance Facility (all business)

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility are (1) revised premium rates for uninsured motorist coverage and combined uninsured/underinsured motorists coverage; (2) revised increased limits factors used in connection with bodily injury and property damage coverages; and (3) revised factors for inexperienced operator surcharges and Safe Driver Insurance Plan (SDIP) surcharges. These revised rates and rating factors are set forth on the attached Exhibit 1.

This filing establishes rates and rating factors equal to those which will be implemented in the voluntary market as a result of the Settlement Agreement and Consent Order issued July 15, 2009 in connection with the 2009 private passenger automobile insurance rate filing by the North Carolina Rate Bureau.

These changes will become effective November 1, 2009 in accordance with the following Rule of Application:

These changes are applicable to all new and renewal policies becoming effective on or after November 1, 2009. No policy effective prior to November 1, 2009 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 November 1, 2009.

Sincerely,

F. Timothy Lucas  
Automobile Manager

FTL:dms  
Enclosures

Memorandum - North Carolina Personal Auto Manual  
Matter underlined is new; matter in brackets [ ] is deleted.

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1.

a. Rates

The per policy rates for Uninsured Motorists Coverage are as follows:

| B.I. UM Coverage |                           |                          |
|------------------|---------------------------|--------------------------|
|                  | Single Vehicle*<br>Policy | Multi-Vehicle*<br>Policy |
| \$ 30/60         | \$ 14                     | \$ 33                    |
| 50/100           | 15                        | 35                       |
| 100/200          | 17                        | 40                       |
| 100/300          | 18                        | 42                       |
| 300/300          | 21                        | 50                       |
| 250/500          | 22                        | 52                       |
| 500/500          | 23                        | 54                       |
| 500/1,000        | 25                        | 59                       |
| 1,000/1,000      | 26                        | 61                       |

| P.D. UM Coverage |                           |                          |
|------------------|---------------------------|--------------------------|
|                  | Single Vehicle*<br>Policy | Multi-Vehicle*<br>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 rates are not subject to modification under the provisions of any rating plan or other manual rule.

Memorandum - North Carolina Personal Auto Manual  
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14. MISCELLANEOUS COVERAGES (Cont'd)

B. Combined Uninsured/Underinsured Motorists Coverage

- 1.
2. Rates

The per policy rates for Combined Uninsured/Underinsured Motorists Coverage are as follows:

| B.I. UM/UIM Coverage |                           |                          |
|----------------------|---------------------------|--------------------------|
|                      | Single Vehicle*<br>Policy | Multi-Vehicle*<br>Policy |
| \$ 50/100            | \$ 25                     | \$ 59                    |
| 100/200              | 44                        | 104                      |
| 100/300              | 54                        | 127                      |
| 300/300              | 74                        | 175                      |
| 250/500              | 87                        | 205                      |
| 500/500              | 121                       | 285                      |
| 500/1,000            | 136                       | 321                      |
| 1,000/1,000          | 153                       | 361                      |

| P.D. UM/UIM Coverage |                           |                          |
|----------------------|---------------------------|--------------------------|
|                      | Single Vehicle*<br>Policy | Multi-Vehicle*<br>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 rates are not subject to modification under the provisions of any rating plan or other manual rule.

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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<br>Limits | Factor |
|-----------------|--------|
| \$ 30/60        | 1.00   |
| 50/100          | 1.18   |
| 100/100         | 1.31   |
| 100/200         | 1.39   |
| 100/300         | 1.40   |
| 300/300         | 1.62   |
| 250/500         | 1.66   |
| 500/1,000       | 1.85   |
| 1,000/1,000     | 1.96   |
| 1,000/2,000     | 2.02   |

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

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

| Total<br>Limits | Factor |
|-----------------|--------|
| \$ 25,000       | 1.000  |
| 35,000          | 1.005  |
| 50,000          | 1.010  |
| 100,000         | 1.030  |
| 250,000         | 1.059  |
| 500,000         | 1.113  |
| 750,000         | 1.153  |
| 1,000,000       | 1.202  |

(Remainder of rule is unchanged.)

Matter underlined is new; matter in brackets [ ] is deleted.

| INEXPERIENCED OPERATOR    |  |  |  |  |
|---------------------------|--|--|--|--|
| Single or Multi-Car Risks |  | BI, PD and Med. Pay.                   | Collision                              | Comprehensive Fire, Theft & CAC        |
| Single Car                | Principal Operator Licensed For:       |  |  |  |
|                           | Less Than One Year                     | Factor <del>+[3.50]</del> <u>+3.25</u> | Factor <del>+[3.40]</del> <u>+3.10</u> | Factor <del>+[0.70]</del> <u>+0.50</u> |
|                           | Less Than Two Years                    | Factor +1.75                           | Factor +1.90                           | Factor <del>+[0.55]</del> <u>+0.50</u> |
|                           | Less Than Three Years                  | Factor <del>+[1.30]</del> <u>+1.35</u> | Factor +1.65                           | Factor <del>+[0.55]</del> <u>+0.50</u> |
|                           | Occasional Operator Licensed For:      |  |  |  |
|                           | Less Than One Year                     | Factor +1.90                           | Factor <del>+[2.10]</del> <u>+1.95</u> | Factor +0.25                           |
| Less Than Two Years       | Factor <del>+[0.90]</del> <u>+0.80</u> | Factor <del>+[1.10]</del> <u>+1.00</u> | Factor <del>+[0.10]</del> <u>0.00</u>  |  |
| Less Than Three Years     | Factor <del>+[0.60]</del> <u>+0.40</u> | Factor <del>+[0.85]</del> <u>+0.65</u> | Factor 0.00                            |  |
| Multi-Car                 | Principal Operator Licensed For:       |  |  |  |
|                           | Less Than One Year                     | Factor <del>+[3.15]</del> <u>+2.90</u> | Factor <del>+[3.10]</del> <u>+2.80</u> | Factor <del>+[0.60]</del> <u>+0.40</u> |
|                           | Less Than Two Years                    | Factor +1.40                           | Factor +1.60                           | Factor <del>+[0.45]</del> <u>+0.40</u> |
|                           | Less Than Three Years                  | Factor <del>+[0.95]</del> <u>+1.00</u> | Factor +1.35                           | Factor <del>+[0.45]</del> <u>+0.40</u> |
|                           | Occasional Operator Licensed For:      |  |  |  |
|                           | Less Than One Year                     | Factor +1.55                           | Factor <del>+[1.80]</del> <u>+1.65</u> | Factor +0.15                           |
| Less Than Two Years       | Factor <del>+[0.55]</del> <u>+0.45</u> | Factor <del>+[0.80]</del> <u>+0.70</u> | Factor <del>[0.00]</del> <u>-0.10</u>  |  |
| Less Than Three Years     | Factor <del>+[0.25]</del> <u>+0.05</u> | Factor <del>+[0.55]</del> <u>+0.35</u> | Factor -0.10                           |  |

Matter underlined is new; matter in brackets [ ] is deleted.

PERSONAL AUTO MANUAL  
NORTH CAROLINA  
PRIMARY CLASSIFICATION RATING FACTORS  
(CONT'D)

| <b>SAFE DRIVER INSURANCE PLAN FACTORS AND CODES</b>   |  |                         |                           |
|---|--|-------------------------|---------------------------|
| 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.   |  |                         |                           |
| <b>Number of Driving Record Points</b>  | <b>Driving Record Sub-Classification</b> | <b>Statistical Code</b> | <b>SDIP Rating Factor</b> |
| 0   | 0  | 00                      | 0.00                      |
| 1   | 1  | 01                      | [0.25] <u>0.30</u>        |
| 2   | 2  | 02                      | 0.45                      |
| 3   | 3  | 03                      | 0.60                      |
| 4   | 4  | 04                      | 0.80                      |
| 5   | 5  | 05                      | [1.05] <u>1.10</u>        |
| 6   | 6  | 06                      | [1.30] <u>1.35</u>        |
| 7   | 7  | 07                      | [1.60] <u>1.65</u>        |
| 8   | 8  | 08                      | [1.90] <u>1.95</u>        |
| 9   | 9  | 09                      | 2.25                      |
| 10  | 10                                       | 10                      | 2.60                      |
| 11  | 11                                       | 11                      | 3.00                      |
| 12 or more  | 12                                       | 12                      | 3.40                      |
| <b>Vehicles Not Eligible for SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.</b> |  |                         |                           |
| Not Eligible  | NE                                       | 95                      | +0.10                     |