



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 –
“Clean Risks” ceded to the North Carolina Reinsurance Facility

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility, with regard to “Clean Risks” ceded to the Reinsurance Facility, are (1) revised liability rates for bodily injury, property damage, and medical payments coverages; and (2) revised factors for Motorcycles. The revised liability rates and motorcycle factors are attached as Exhibit 1.

This filing establishes rates for “Clean Risks” ceded to the Facility 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

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

FILED BASE RATES - LIABILITY

<u>Terr</u> <u>Code</u>	<u>\$30,000/60,000</u> <u>Bodily Injury</u>	<u>\$25,000</u> <u>Property Damage</u>	<u>\$500</u> <u>Medical Payments</u>
11	\$132	\$166	\$16
13	193	193	24
14	188	189	23
15	205	183	25
16	182	195	23
17	207	200	26
18	169	174	21
24	157	151	19
25	220	186	27
26	240	164	30
31	188	175	23
32	161	162	20
33	188	147	23
40	243	205	30
41	188	189	23
43	178	155	22
47	206	157	26
51	167	189	21
52	221	209	27

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

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	16%	36%
500-1249	26%	36%
1250-1499	36%	36%
1500-up	47%	36%

*Note: Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility.

(Remainder of rule is unchanged.)