

NORTH CAROLINA DEPARTMENT OF INSURANCE

RALEIGH, NORTH CAROLINA

IN THE MATTER OF THE FILING
DATED FEBRUARY 1, 2019 BY THE
NORTH CAROLINA RATE BUREAU FOR
REVISED AUTOMOBILE INSURANCE
RATES – PRIVATE PASSENGER CARS
AND MOTORCYCLES

BEFORE THE COMMISSIONER
OF INSURANCE

Docket No. 1928

SETTLEMENT AGREEMENT
AND CONSENT ORDER

It appearing to the Commissioner of Insurance (“Commissioner”) that the North Carolina Rate Bureau (“Rate Bureau”) and the North Carolina Department of Insurance (“Department”) have, after consultation with their respective legal, actuarial and economic advisors and subject to approval by the Commissioner and to the conditions hereinafter set forth, entered into a settlement of all matters and things in dispute in connection with the Rate Bureau’s filing for private passenger automobile insurance rates dated February 1, 2019 (the “2019 Filing”); and it further appearing to the Commissioner that such settlement is fair and reasonable and should be approved;

NOW, THEREFORE, IT IS ORDERED AND AGREED as follows:

1. The 2019 Filing is approved subject to the modifications set forth in Paragraphs 2 through 5 below.
2. The approved rate level changes for the liability coverages and the approved statewide grand total, relative to the currently approved manual rate levels, are as set forth below.

The filed decreases for the physical damage coverages, which are approved as filed and which are included in the statewide grand total, are set forth below as well.

PRIVATE PASSENGER CARS

Liability	
Bodily Injury	4.5%
Property Damage	20.0%
Medical Payments	3.3%
Uninsured Motorists	20.0%
Underinsured Motorists	4.5%
Liability Total	11.3%
Physical Damage	
Comprehensive	-4.0%
Collision	-11.0%
Physical Damage Total	-9.1%
Grand Total	1.6%

The base rates approved as a result of all of these approved changes are set forth on the attached Exhibit A, which is attached hereto and incorporated herein by reference.

3. The approved motorcycle relativities are set forth on the attached Exhibit B, which is attached hereto and incorporated herein by reference.

4. The approved rates for Extended Transportation Coverage are set forth on the attached Exhibit C, which is attached hereto and incorporated herein by reference.

5. The approved rates for Towing and Labor Costs Coverage are set forth on the attached Exhibit D, which is attached hereto and incorporated herein by reference.

6. The approved changes shall be implemented in accordance with the following rule of application:

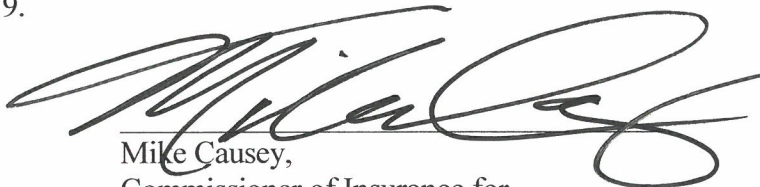
This rate change is applicable to all policies becoming effective on or after October 1, 2019. No policy effective prior to October 1, 2019 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of this rate change except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to October 1, 2019.

7. Subject to the provisions of Paragraph 8 below, the rates for the coverages coming within the scope of this Settlement Agreement and Consent Order shall remain in force until October 1, 2021 and thereafter until revised as provided by law, and neither the Rate Bureau nor the Commissioner nor the Department shall undertake to effect a change in such rates having an effective date prior to October 1, 2021; provided, however, that nothing in this section shall prevent a change in such rates prior to October 1, 2021 if agreed to by the Rate Bureau and the Commissioner.

8. Notwithstanding any other provision of this Settlement Agreement and Consent Order, in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order which changes premium taxes, regulatory fees, the statutory ratemaking methodology, rate level need or loss or expense exposure of insurers, either the Rate Bureau or the Commissioner shall have the right to take such action as is within its or his statutory authority to effect a change in rates prior to October 1, 2021 for the sole purpose of adjusting rates to reflect the effects of such legislative or judicial action. Further, either the Rate Bureau or the Commissioner shall have the right to take such action as is within its or his statutory authority to adjust rate relativities, classifications and rules in the event of legislative or judicial action subsequent to the date of this Settlement Agreement and Consent Order making such adjustment appropriate. Further, nothing herein shall prevent the Rate Bureau from taking such action as is within its statutory authority to revise or update territory definitions to reflect any ZIP code changes.

9. This Settlement Agreement and Consent Order shall not be construed to condone, validate, accept or agree to the Bureau's, the Department's, or the Commissioner's theories, methodologies or calculations pertaining to the setting of insurance rates for private passenger cars and motorcycles.

This 26th day of March, 2019.


Mike Causey,
Commissioner of Insurance for
the State of North Carolina

WE CONSENT:

NORTH CAROLINA RATE BUREAU

BY: 

NORTH CAROLINA DEPARTMENT OF INSURANCE

BY: 

4665524

NORTH CAROLINA

Exhibit A

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SETTLED BASE RATES - LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
110	\$154	\$217	\$19
120	192	204	24
130	217	212	26
140	282	250	41
150	216	267	29
170	174	228	22
180	205	272	29
190	199	281	25
200	226	258	32
210	196	205	26
220	264	218	30
230	308	216	33
240	279	221	31
250	265	299	38
260	218	249	28
270	173	273	22
280	252	309	38
290	233	292	30
300	159	264	20
310	145	228	16
320	168	211	19
340	238	282	34
350	170	235	21
360	200	232	26
370	233	281	31
380	257	288	28
390	200	300	22
420	362	365	61
440	246	298	34
450	290	304	30
460	192	257	23
470	221	237	24
480	148	202	17
490	142	213	18

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* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ [13] <u>16</u>	\$ [32] <u>40</u>
50/100	[14] <u>17</u>	[35] <u>42</u>
100/200	[16] <u>20</u>	[40] <u>49</u>
100/300	[17] <u>21</u>	[42] <u>52</u>
300/300	[20] <u>26</u>	[49] <u>64</u>
250/500	[21] <u>27</u>	[52] <u>67</u>
500/500	[22] <u>28</u>	[54] <u>69</u>
500/1,000	[24] <u>31</u>	[59] <u>77</u>
1,000/1,000	[25] <u>32</u>	[62] <u>79</u>

	P.D. UM Coverage	
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	10
250,000	6	15
500,000	8	20
750,000	10	25
1,000,000	11	27

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.

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* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ [24] <u>27</u>	\$ [60] <u>67</u>
100/200	[43] <u>48</u>	[107] <u>118</u>
100/300	[53] <u>59</u>	[131] <u>146</u>
300/300	[73] <u>81</u>	[180] <u>200</u>
250/500	[86] <u>95</u>	[213] <u>235</u>
500/500	[120] <u>130</u>	[296] <u>321</u>
500/1,000	[135] <u>147</u>	[333] <u>364</u>
1,000/1,000	[152] <u>164</u>	[376] <u>405</u>

	P.D. UM/UIM Coverage	
	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	10
250,000	6	15
500,000	8	20
750,000	10	25
1,000,000	11	27

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.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SETTLED PHYSICAL DAMAGE BASE RATES (A)

<u>Terr Code</u>	<u>FULL COVERAGE COMPREHENSIVE</u>	<u>\$100 DEDUCTIBLE COLLISION</u>
110	\$124	\$479
120	223	552
130	173	535
140	138	613
150	131	541
170	103	472
180	107	597
190	71	495
200	109	513
210	98	420
220	203	568
230	138	566
240	155	577
250	104	640
260	121	536
270	79	499
280	90	594
290	108	629
300	75	474
310	89	452
320	134	495
340	95	594
350	88	474
360	98	509
370	93	545
380	120	604
390	74	533
420	106	729
440	87	593
450	91	625
460	87	536
470	128	526
480	128	503
490	86	495

(A) MODEL YEAR 2020 SYMBOL 11

Memorandum - North Carolina Personal Auto Manual
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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	[13%]12%	30%
500-1249	[21%]19%	30%
1250-1499	[30%]28%	30%
1500-up	[39%]36%	30%

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

(Remainder of rule is unchanged.)

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

E. Extended 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] <u>\$13</u>
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	[\$20] <u>\$26</u>
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	[\$32] <u>\$42</u>
\$75/\$2,250 Additional Increased Limits Transportation Expenses Coverage	<u>\$61</u>
\$100/\$3,000 Additional Increased Limits Transportation Expenses Coverage	<u>\$79</u>

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14. MISCELLANEOUS COVERAGES (Cont'd)

F. Towing and Labor Costs Coverage

The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	[\$2] <u>\$3</u>
50	[4] <u>6</u>
100	[6] <u>9</u>
None (subject to coverage provisions)	[13] <u>20</u>