



September 30, 2003

CIRCULAR LETTER TO ALL MEMBER COMPANIES
VIA E-MAIL

Re: Personal Auto Manual Revisions
Safe Driver Insurance Plan and
Rule 14 - Miscellaneous Coverages

The Commissioner of Insurance has approved revisions to Rule 5 - Safe Driver Insurance Plan and Rule 14 - Miscellaneous Coverages in the Personal Auto Manual on behalf of all member companies of the North Carolina Rate Bureau and the North Carolina Reinsurance Facility. The Safe Driver Insurance Plan revisions were designed to comply with the provisions of House Bill 358 which was enacted during the 2003 Session of the North Carolina General Assembly. Revisions to Rule 14 - Miscellaneous Coverages were designed to clarify the type of vehicles that are subject to Uninsured Motorists Coverage and the Combined Uninsured/Underinsured Motorists Coverage rates and to clarify that the Combined Uninsured/Underinsured Motorists Coverage is not available on policies that do not have primary policy limits greater than minimum limits.

These changes are to become effective in accordance with the following Rule of Application:

These changes become effective with respect to policies written on or after September 29, 2003.

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

Very truly yours,

Wayne B. Hinton

Automobile Manager

WBH:dp

Enclosures

A-03-3

Material that is ~~struck through~~ is deleted; material that is underlined is new.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

- (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

~~**RULE APPLICABLE TO AT-FAULT ACCIDENTS THAT OCCURRED BEFORE JANUARY 1, 1998:**~~

~~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.~~

- ~~(1) Three points shall be assigned for each at fault auto accident that results in:

 - ~~(a) Bodily injury or death; or~~
 - ~~(b) Total damage to all property, including the insured's own, of \$2,000 or more.~~~~

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.~~

- ~~(2) Two points shall be assigned for each at-fault auto accident that 1 results in total damage to all property, including the insured's own, in excess of \$1,000 but less than \$2,000.~~
- ~~(3) One point shall be assigned for each at-fault accident that results in total damage to all property including the insured's own, of \$1,000 or less.~~

RULE APPLICABLE TO AT-FAULT ACCIDENTS OCCURRING ON OR AFTER JANUARY 1, 1998:

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.

Material that is ~~struck through~~ is deleted; material that is underlined is new.

5. SAFE DRIVER INSURANCE PLAN (SDIP) (Cont'd)

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.
- (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 is 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) Operator of the other auto involved in the accident was convicted of a moving traffic violation and the applicant or resident operator was not convicted of a moving traffic violation in connection with the accident; or
- (e) 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
- (f) Accidents involving damage by contact with animals or fowl; or
- (g) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects.
- (h) 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.

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 [Car]Vehicle* Policy	\$16
Multi-[Car]Vehicle* Policy	\$38

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 [Car]Vehicle* Policy	Multi- [Car]Vehicle* Policy
\$ 30/60	\$ 14	\$ 33
50/100	15	35
100/200	16	38
100/300	17	40
300/300	18	42
250/500	19	45
500/500	20	47
500/1,000	21	50
1,000/1,000	22	52

P.D. UM Coverage

	Single [Car]Vehicle* Policy	Multi- [Car]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 purpose of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

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)

Material underlined is new; material in [brackets] is deleted.

PERSONAL AUTO MANUAL

NORTH CAROLINA (32)

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.	250,000	6	14
	500,000	8	19
	750,000	10	24
	1,000,000	11	26

Exceptions

This coverage shall not apply when a named insured has [either]:

- 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 [Car]Vehicle* Policy	Multi- [Car]Vehicle* Policy
\$ 50/100	\$ 18	\$ 42
100/200	31	73
100/300	36	85
300/300	47	110
250/500	57	135
500/500	78	184
500/1,000	90	213
1,000/1,000	101	238

P.D. UM/UIM Coverage

	Single [Car]Vehicle* Policy	Multi- [Car]Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9

For limits other than those shown, charge the premium for the next higher limit.

* For the purpose 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.