



February 9, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revision to Motorcycle Relativities  
Personal Automobile Manual

By Circular Letter to All Member Companies A-05-8, dated December 12, 2005, the Commissioner approved revisions to the motorcycle relativities included in the Personal Auto Manual and the introduction of four categories of cubic centimeters in lieu of the current two categories. These changes are to become effective with respect to all new and renewal policies written to become effective on or after October 1, 2006.

With the implementation of revised private passenger automobile and motorcycle rates effective May 15, 2006 as a result of a settlement of the 2005 Private Passenger Automobile rate filing, that was announced by Circular Letter To All Member Companies dated February 2, 2006, it is necessary to revise the motorcycle relativities that become effective on October 1, 2006 based on the revised rates.

In that regard, please find attached the revised motorcycle relativities for the new four categories of cubic centimeters.

This revision becomes effective in accordance with the following Rule of Application.

This revision becomes effective with respect to all new and renewal policies written to become effective on or after October 1, 2006.

Please see to it that this Circular is brought to the attention of all interested personnel within your company.

Very truly yours,

Wayne B. Hinton

Automobile Manager

WBH:dp  
A-06-4

Material ~~struck through~~ is deleted and material underlined is new

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	<del>0.19</del> <u>.17</u>	<del>0.50</del> <u>.46</u>
500 - 1249	<del>0.34</del> <u>.28</u>	<del>0.50</del> <u>.46</u>
1250 - 1499	<del>0.43</del> <u>.38</u>	<del>0.50</del> <u>.46</u>
1500 - up	<del>0.56</del> <u>.50</u>	<del>0.50</del> <u>.46</u>

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

With respect to other than “clean risks” ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage 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
0 - 499	0.17
500 - 1249	0.28
1250 - 1499	0.38
1500 - up	0.50