



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

January 31, 2007

Honorable James E. Long
Commissioner of Insurance
North Carolina Department of Insurance
PO Box 26387
Raleigh, North Carolina 27611

Re: Review of Automobile Insurance Rates -
Private Passenger Cars and Motorcycles

Dear Commissioner Long:

In accordance with Article 36 of Chapter 58 of the General Statutes of North Carolina, the North Carolina Rate Bureau hereby submits experience, data, statistics and information for automobile insurance - private passenger cars and motorcycles. This constitutes the rate review required by law to be submitted on or before February 1, 2007.

No automobile insurance rate changes are proposed in this review.

Sincerely,

Raymond F. Evans, Jr., CPCU

General Manager

RECEIVED

JAN 31 2007

N.C. Dept of Insurance
Property & Casualty

RFE:dms

Enclosures

**NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
EXPERIENCE REVIEW**

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North Carolina Private Passenger Automobile

Voluntary & Ceded Combined

	AY 2005	AY 2004	AY 2003
<u>Bodily Injury</u>			
Exposures	6,424,215	6,244,831	6,056,314
Prem at Pres NCRB Rates	1,016,377,541	991,155,072	956,259,628
B/L Incurred Losses	531,404,281	571,565,076	57,541,383
T/L Incurred Losses	619,623,506	684,510,144	693,114,886

Property Damage

Exposures	6,424,215	6,244,831	6,056,314
Prem at Pres NCRB Rates	925,370,448	902,015,630	870,708,364
B/L Incurred Losses	556,821,014	549,330,211	546,901,213
T/L Incurred Losses	561,084,205	552,864,322	550,129,761

Medical Payments

Exposures	4,759,941	4,639,426	4,519,281
Prem at Pres NCRB Rates	144,532,596	143,239,008	137,363,325
Incurred Losses	84,354,218	88,888,033	91,635,773

North Carolina Private Passenger Automobile

Standard & Consent to Rate Combined

	CY 2005	CY 2004	CY 2003
<u>Comprehensive</u>			
Exposures	4,522,506	4,408,341	4,347,360
Prem at Pres NCRB Rates	439,806,017	431,904,005	429,084,776
Paid Losses ¹	237,762,480	245,581,140	298,130,874
<u>Collision</u>			
Exposures	4,206,078	4,110,509	4,054,462
Prem at Pres NCRB Rates	930,502,452	913,205,408	905,107,321
Paid Losses	581,678,276	577,359,508	594,886,629

Notes:

1 Comprehensive losses exclude excess wind and water losses.

North Carolina Private Passenger Automobile

Voluntary & Ceded Combined

	AY 2005	AY 2004	AY 2003
<u>Uninsured Motorists BI</u>			
Exposures	6,103,004	5,932,589	5,753,498
B/L Prem at Pres NCRB Rates	91,545,060	88,988,835	86,302,470
T/L Prem at Pres NCRB Rates	104,761,525	101,836,217	98,762,081
B/L Incurred Losses	36,085,200	38,494,083	42,177,602
T/L Incurred Losses	44,984,844	50,769,931	52,517,172

Uninsured Motorists PD

Exposures	6,103,004	5,932,589	5,753,498
B/L Prem at Pres NCRB Rates	12,206,008	11,865,178	11,506,996
T/L Prem at Pres NCRB Rates	15,562,660	15,128,097	14,671,423
B/L Incurred Losses	12,565,607	11,474,503	12,090,942
T/L Incurred Losses	13,073,520	11,828,561	12,204,234

Underinsured Motorists BI

Exposures	3,824,643	3,717,847	3,605,614
T/L Prem at Pres NCRB Rates	72,365,285	70,344,556	68,221,026
Incurred Losses	31,835,315	52,704,870	49,362,437

Motorcycle Liability

T/L Prem at Pres NCRB Rates	24,569,977	21,778,264	18,479,464
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NORTI ROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
COMPREHENSIVE COVERAGES
DERIVATION OF EXCESS WIND AND WATER FACTOR

Year	(1) Wind & Water Paid Losses (a)	(2) Total Paid Losses (a)	(3) [Total - Wind & Water]	(4) [Wind & Water] / [Total - Wind & Water]	(5) (4)-Avg. (4) Excess Wind & Water Ratio	(6) (3) x (5) Excess Wind & Water Losses
12/31/76	239,224	9,864,960	9,625,736	0.025	0.000	0
12/31/77	495,116	11,546,453	11,051,337	0.045	0.000	0
12/31/78	720,697	11,699,011	10,978,314	0.066	0.000	0
12/31/79	426,482	11,262,032	10,835,550	0.039	0.000	0
12/31/80	970,069	12,639,553	11,669,484	0.083	0.000	0
6/30/82	776,765	12,888,840	12,112,075	0.064	0.000	0
12/31/82	1,241,071	13,864,486	12,623,415	0.098	0.000	0
12/31/83	580,053	13,722,505	13,142,452	0.044	0.000	0
12/31/84	4,856,972	19,768,396	14,911,424	0.326	0.132	1,968,308
12/31/85	5,463,414	20,781,442	15,318,028	0.357	0.163	2,496,839
12/31/86	2,809,049	18,781,759	15,972,710	0.176	0.000	0
12/31/87	1,484,233	19,918,610	18,434,377	0.081	0.000	0
12/31/88	5,074,247	25,070,383	19,996,136	0.254	0.060	1,199,768
12/31/89	11,554,992	32,652,862	21,097,870	0.548	0.354	7,468,646
12/31/90	4,423,094	26,845,160	22,422,066	0.197	0.003	67,266
12/31/91	1,271,154	21,820,454	20,549,300	0.062	0.000	0
12/31/92	1,928,913	21,696,593	19,767,680	0.098	0.000	0
12/31/93	18,640,617	67,247,004	48,606,387	0.384	0.190	9,235,214
12/31/94	3,267,309	54,565,559	51,298,250	0.064	0.000	0
12/31/95	9,648,334	65,189,949	55,541,615	0.174	0.000	0
12/31/96	49,270,157	121,767,966	72,497,809	0.680	0.486	35,233,935
12/31/97	8,337,582	74,959,385	66,621,803	0.125	0.000	0
12/31/98	36,582,228	109,433,029	72,850,801	0.502	0.308	22,438,047
12/31/99	82,839,636	254,543,319	171,703,683	0.482	0.288	49,450,661
12/31/00	26,900,286	219,752,475	192,852,189	0.139	0.000	0
12/31/01	12,205,306	195,182,807	182,977,501	0.067	0.000	0
12/31/02	19,987,319	207,651,735	187,664,416	0.107	0.000	0
12/31/03	71,165,906	270,447,922	199,282,016	0.357	0.163	32,482,969
12/31/04	18,861,614	186,969,396	168,107,782	0.112	0.000	0
12/31/05	12,615,833	177,261,223	164,645,390	0.077	0.000	0

(7) Average (4) = 5.833 / 30 = 0.194

(8) Average Excess Wind & Water Ratio = 2.147 / 30 = 0.072

(9) Excess Wind & Water Factor = 1 + (8) / [1 + (7) - (8)] = 1.064

(a) Losses are for Full Coverage and \$50 Deductible Comprehensive for 1976-6/82.
 Losses are for Full Coverage, \$50 Deductible and \$100 Deductible Comprehensive for 12/82-1990.
 Losses are for Full Coverage, \$50, \$100 and \$250 Deductible Comprehensive for 1991-1992.
 Losses are for Full Coverage, \$50, \$100, \$250 and \$500 Deductible Comprehensive for 1993-1996.
 Losses are for Full Coverage, \$50, \$100, \$250, \$500 and \$1000 Deductible Comprehensive for 1997-2005.
 Data prior to 1999 is for ISO reporting companies only.

NORTH CAROLINA

DERIVATION OF INCURRED-TO-PAID FACTOR (A)

(1)	(2)	(3)	(4)
<u>Year</u>	<u>Incurred Losses</u>	<u>Paid Losses</u>	<u>Factor</u>
2003	1,043,631,340	1,046,934,672	0.997
2004	934,796,980	937,982,831	0.997
2005	913,689,890	917,766,251	0.996

(A) Source: Page 15 Private Passenger Auto Physical Damage (line 21.1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2005

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	284,700,085	1.00	284,700,085	1.00	284,700,085
50/100	242,179,565	1.14	212,438,215	1.15	244,303,947
100/200	5,951,726	1.30	4,578,251	1.33	6,089,074
100/300	365,561,059	1.32	276,940,196	1.35	373,869,265
250/500	58,218,580	1.52	38,301,697	1.57	60,133,664
300/300	34,174,292	1.50	22,782,861	1.54	35,085,606
1000/1000	1,895,717	1.76	1,077,112	1.83	1,971,115
All Other	5,394,685	1.181	4,567,896	1.197	5,467,772
	998,075,709	1.181	845,386,313	1.197	1,011,620,528

Year Ending 12/31/2004

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	288,059,543	1.00	288,059,543	1.00	288,059,543
50/100	237,485,542	1.14	208,320,651	1.15	239,568,749
100/200	6,610,276	1.30	5,084,828	1.33	6,762,821
100/300	359,479,341	1.32	272,332,834	1.35	367,649,326
250/500	55,103,941	1.52	36,252,593	1.57	56,916,571
300/300	35,003,755	1.50	23,335,837	1.54	35,937,189
1000/1000	1,496,182	1.76	850,103	1.83	1,555,688
All Other	5,227,781	1.179	4,434,081	1.194	5,294,293
	988,466,361	1.179	838,670,470	1.194	1,001,744,180

Year Ending 12/31/2003

Voluntary and Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	277,825,010	1.00	277,825,010	1.00	277,825,010
50/100	218,540,083	1.14	191,701,827	1.15	220,457,101
100/300	333,573,531	1.32	252,707,220	1.35	341,154,747
Over 100/300	68,211,768	1.52	44,876,163	1.57	70,455,576
All Other	49,755,306	1.171	42,489,587	1.186	50,392,650
	947,905,698	1.171	809,599,807	1.186	960,285,084

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS

Year Ending 12/31/2005

Voluntary and Ceded Property Damage - \$25,000 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	292,573,410	1.000	292,573,410	1.000	292,573,410
50,000	395,323,811	1.010	391,409,714	1.010	395,323,811
100,000	145,990,781	1.030	141,738,622	1.030	145,990,781
250,000	2,120,946	1.059	2,002,782	1.059	2,120,946
300,000	191,463	1.069	179,105	1.069	191,463
500,000	571,789	1.113	513,737	1.113	571,789
1,000,000	192,224	1.202	159,920	1.202	192,224
All Other	5,602,193	1.010	5,546,726	1.010	5,602,193
	842,566,617	1.010	834,124,016	1.010	842,566,617

Year Ending 12/31/2004

Voluntary and Ceded Property Damage - \$25,000 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	299,397,147	1.000	299,397,147	1.000	299,397,147
50,000	377,110,735	1.010	373,376,965	1.010	377,110,735
100,000	136,249,916	1.030	132,281,472	1.030	136,249,916
250,000	1,867,601	1.059	1,763,551	1.059	1,867,601
300,000	179,791	1.069	168,186	1.069	179,791
500,000	505,183	1.113	453,893	1.113	505,183
1,000,000	176,966	1.202	147,226	1.202	176,966
All Other	17,247,232	1.010	17,076,467	1.010	17,247,232
	832,734,571	1.010	824,664,907	1.010	832,734,571

Year Ending 12/31/2003

Voluntary and Ceded Property Damage - \$25,000 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
15,000	(862)	1.000	(862)	1.000	(862)
25,000	311,070,577	1.000	311,070,577	1.000	311,070,577
50,000	372,535,864	1.010	368,847,390	1.010	372,535,864
100,000	126,516,975	1.030	122,832,015	1.030	126,516,975
250,000	1,665,471	1.059	1,572,683	1.059	1,665,471
300,000	1,131,899	1.069	1,058,839	1.069	1,131,899
All Other	22,853,709	1.009	22,649,860	1.009	22,853,709
	835,773,633	1.009	828,030,502	1.009	835,773,633

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF AVERAGE INCREASED LIMITS FACTORS
MEDICAL PAYMENTS

Year Ending 12/31/2005

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,482,879	1.00	1,482,879
750	48,324	1.33	36,334
1,000	37,997,033	1.60	23,748,146
2,000	41,254,466	2.34	17,630,114
3,000	226,694	2.79	81,252
5,000	24,435,036	3.38	7,229,301
10,000	6,934,207	3.86	1,796,427
All Other	3,366,300	2.161	1,557,751
Total	115,744,939	2.161	53,562,204

Year Ending 12/31/2004

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,485,188	1.00	1,485,188
750	45,049	1.33	33,871
1,000	37,805,277	1.60	23,628,298
2,000	40,988,447	2.34	17,516,430
3,000	179,698	2.79	64,408
5,000	25,276,115	3.38	7,478,141
10,000	6,552,949	3.86	1,697,655
All Other	3,287,314	2.164	1,519,091
Total	115,620,037	2.164	53,423,082

Year Ending 12/31/2003

Voluntary and Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	1,526,175	1.00	1,526,175
750	74,041	1.33	55,670
1,000	36,807,884	1.60	23,004,928
2,000	38,263,865	2.34	16,352,079
3,000	117,957	2.79	42,278
5,000	25,746,030	3.38	7,617,169
All Other	3,981,188	2.110	1,886,819
Total	106,517,140	2.110	50,485,118

North Carolina Dividends and Deviations

Year	LIABILITY			Vol + Ced Manual Writ. Prem.	Amount of Deviation*	Voluntary Manual Writ. Prem.**	Deviations as % of Vol. Manual Writ. Prem.
	Vol + Ced Direct Writ. Prem.	Ceded Writ. Prem.	Voluntary Writ. Prem.				
2000	1,931,613,561	522,081,636	1,409,531,925	2,128,075,319	196,461,758	1,605,993,683	12.23%
2001	1,896,237,159	538,604,648	1,357,632,511	2,088,424,946	192,187,787	1,549,820,298	12.40%
2002	1,966,486,164	579,008,135	1,387,478,029	2,182,501,620	216,015,456	1,603,493,485	13.47%
2003	2,131,701,669	648,665,044	1,483,036,625	2,319,914,842	188,213,173	1,671,249,798	11.26%
2004	2,186,772,183	670,144,704	1,516,627,479	2,344,630,005	157,857,822	1,674,485,301	9.43%
2005	2,241,463,188	679,645,130	1,561,818,058	2,430,314,065	188,850,877	1,750,668,935	10.79%
Total	12,354,273,924	3,638,149,297	8,716,124,627	13,493,860,797	1,139,586,873	9,855,711,500	11.56%

Year	LIABILITY			Amount of Dividend	Dividend as % of Vol. Manual Earned Prem.**
	Vol + Ced Manual Earned Prem.	Ceded Manual Earned Prem.	Vol. Manual Earned Prem.		
2000	2,140,805,296	518,450,412	1,622,354,884	10,342,532	0.64%
2001	2,091,064,008	535,554,795	1,555,509,213	4,513,114	0.29%
2002	2,153,995,534	565,394,826	1,588,600,708	2,954,393	0.19%
2003	2,272,048,154	631,807,943	1,640,240,211	5,324,725	0.32%
2004	2,317,791,914	660,761,822	1,657,030,092	3,789,615	0.23%
2005	2,547,452,137	681,921,372	1,865,530,765	4,912,765	0.26%
Total	13,523,157,043	3,593,891,170	9,929,265,873	31,837,144	0.32%

Year	PHYSICAL DAMAGE			Deviations as % of Manual Writ. Prem.***	Phy Dam Manual Earned Prem.	Amount of Dividend	Dividend as % of Manual arned Prem.***
	Phy Dam Direct Writ. Prem	Phy Dam Manual Writ. Prem	Amount of Deviation*				
2000	1,116,897,092	1,345,742,651	228,845,559	17.01%	1,359,709,253	11,186,621	0.82%
2001	1,143,486,328	1,330,687,657	187,201,329	14.07%	1,313,398,020	3,480,352	0.26%
2002	1,258,370,573	1,490,991,571	232,620,998	15.60%	1,447,773,272	2,523,591	0.17%
2003	1,235,884,923	1,418,704,510	182,819,587	12.89%	1,473,060,263	4,905,255	0.33%
2004	1,192,451,971	1,299,366,808	106,914,837	8.23%	1,273,836,672	3,416,980	0.27%
2005	1,298,795,220	1,447,067,583	148,272,363	10.25%	1,404,829,665	4,012,405	0.29%
Total	7,245,886,107	8,332,560,780	1,086,674,673	13.04%	8,272,607,145	29,525,204	0.36%

* Deviations from Rate Bureau rates on voluntary liability and standard physical damage business.

** Excludes Facility business

*** Excludes Non-Standard business.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premium Written (Manual Level)	\$2,088,424,946	\$2,182,501,620	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065
Premiums Earned (Manual Level)	2,091,064,008	2,153,995,534	2,272,048,154	2,317,791,914	2,547,452,137
Premium Written (Collected Level)	1,896,237,159	1,966,486,164	2,131,701,669	2,186,772,183	2,241,463,188
Premiums Earned (Collected Level)	1,897,802,072	1,939,187,608	2,080,058,726	2,165,237,699	2,241,095,799
Commission & Brokerage	189,078,142	196,758,521	208,066,954	216,474,247	230,906,890
Other Acquisition	138,898,741	157,517,235	178,306,347	191,699,030	212,532,013
General Expenses	121,344,299	129,965,042	126,339,929	137,708,746	128,731,796
Taxes, Licenses, and Fees	45,064,435	48,885,392	50,675,808	49,949,234	52,183,922
Bodily Injury Losses Incurred	876,481,923	797,908,662	901,261,493	983,642,182	964,678,890
BI Allocated Loss Adjustment	38,066,636	11,029,181	33,670,584	36,670,488	33,457,299
BI Unallocated Loss Adjustment	116,743,366	108,169,312	111,448,514	115,524,475	127,744,750
Property Damage Losses Incurred	537,030,087	583,087,084	588,252,361	602,068,126	598,208,979
PD Allocated Loss Adjustment	1,738,292	4,491,936	8,993,978	6,792,019	8,055,918
PD Unallocated Loss Adjustment	62,402,493	67,179,157	76,384,689	76,480,634	74,018,157

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)(b)	.100	.100	.097	.099	.104
Other Acquisition to Earned Premium (b)	.073	.081	.086	.089	.095
General Expenses to Earned Premium (b)	.064	.065	.061	.064	.057
Taxes, Licenses, etc. to Written Premium (b)	.024	.025	.024	.023	.023
	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>	<u>BI</u>
Unallocated Loss Adjustment Expenses to Losses + Allocated	.128	.116	.134	.114	.119
	.128	.116	.119	.128	.113
	.113	.126	.128	.113	.126
	.128	.122	.128	.126	.122

Notes:

- (a) Since ceded business has a commission and brokerage provision set at 10%, the provision for voluntary business is found by solving the following expression for X:
 $.10 \text{ (percent ceded written premium)} + X \text{ (percent voluntary written premium)} = \text{overall Commission and Brokerage provision.}$
- (b) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - STANDARD BUSINESS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premium Written (Collected Level)	\$1,143,486,328	\$1,258,370,573	\$1,235,884,923	\$1,192,451,971	\$1,298,795,220
Premium Earned (Collected Level)	1,131,022,759	1,224,285,954	1,266,847,640	1,171,171,370	1,280,906,310
Commission & Brokerage	114,245,618	128,057,797	122,718,054	112,598,476	126,232,584
Other Acquisition	84,022,235	97,409,620	97,073,773	100,577,378	104,939,143
General Expenses	63,802,742	64,906,068	63,420,531	59,255,614	63,470,928
Taxes, Licenses, and Fees	27,013,033	29,386,257	28,518,893	26,124,040	29,312,242
Losses Incurred	669,615,054	700,864,618	768,041,816	663,158,742	655,414,000
All Loss Adjustment Expenses	91,922,631	117,538,891	98,542,743	100,686,005	105,691,545

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)	.100	.102	.099	.094	.097
Other Acquisition to Earned Premium (a)	.074	.080	.077	.086	.082
General Expenses to Earned Premium (a)	.056	.053	.050	.051	.050
Taxes, Licenses, etc. to Written Premium (a)	.024	.023	.023	.022	.023
All Loss Adjustment Expenses to Incurred Losses	.137	.168	.128	.152	.161

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF PHYSICAL DAMAGE EXPENSE EXPERIENCE - NON-STANDARD BUSINESS

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premium Written (Collected Level)	\$382,269,429	\$396,325,164	\$441,953,161	\$474,845,377	\$480,018,102
Premium Earned (Collected Level)	370,975,716	385,218,762	434,717,887	464,964,821	476,633,206
Commission & Brokerage	38,559,472	39,478,816	45,161,385	45,834,258	48,986,597
Other Acquisition	20,698,315	16,615,882	20,396,092	22,669,007	26,195,960
General Expenses	22,153,380	21,981,007	21,548,068	24,283,539	23,470,455
Taxes, Licenses, and Fees	9,284,440	9,682,852	11,044,293	11,067,447	10,702,598
Losses Incurred	209,080,197	211,707,855	238,871,316	236,534,958	228,863,666
All Loss Adjustment Expenses	31,138,847	33,216,968	35,044,004	36,158,614	34,669,700

COMBINED RATIOS

Commission & Brokerage to Written Premium (a)	.101	.100	.102	.097	.102
Other Acquisition to Earned Premium (a)	.056	.043	.047	.049	.055
General Expenses to Earned Premium (a)	.060	.057	.050	.052	.049
Taxes, Licenses, etc. to Written Premium (a)	.024	.024	.025	.023	.022
All Loss Adjustment Expenses to Incurred Losses	.149	.157	.147	.153	.151

Notes:

(a) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
MOTORCYCLE INSURANCE
SUMMARY OF LIABILITY EXPENSE EXPERIENCE - VOLUNTARY AND CEDED BUSINESS

<u>Item</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premiums Written	\$17,569,891	\$17,767,876	\$21,404,466	\$24,368,906	\$28,908,379
Premiums Earned	16,953,554	17,226,637	20,360,578	23,453,046	26,245,060
Commission & Brokerage	2,004,943	2,096,798	2,434,725	2,512,584	2,639,000
Other Acquisition	1,376,449	1,409,269	1,409,720	1,718,064	2,153,234
General Expenses	1,086,450	914,380	768,456	913,911	1,353,703
Taxes, Licenses, and Fees	403,676	441,524	461,972	512,953	590,453
Losses Incurred	7,836,352	7,684,849	10,614,863	11,368,841	11,770,230
All Loss Adjustment Expenses	885,800	1,160,753	2,258,406	2,017,972	1,797,976

COMBINED RATIOS

Commission & Brokerage to Written Premium	.114	.118	.114	.103	.091
Other Acquisition to Earned Premium	.081	.082	.069	.073	.082
General Expenses to Earned Premium	.064	.053	.038	.039	.052
Taxes, Licenses, etc. to Written Premium	.023	.025	.022	.021	.020
All Loss Adjustment Expenses to Losses	.113	.151	.213	.178	.153

Source: North Carolina Rate Bureau Expense Call

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Oct-02	181.3	
Nov-02	181.3	167.9
Dec-02	180.9	
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>All Items (A)</u>	<u>CCI (B)</u>	<u>Combined (C)</u>
(1) Annual Change in indices based on exponential curve of best fit for the latest 48 points (or 16 quarters)	3.14%	3.80%	3.47%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.54%	3.59%	3.56%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.79%	2.93%	3.36%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	3.85%	2.68%	3.26%
(5) Average Annual Index (D)			
Year Ended 3/31/2004	184.78	175.75	
Year Ended 9/30/2004	187.35	179.15	
Year Ended 3/31/2005	190.30	183.13	
Year Ended 9/30/2005	193.51	186.93	
Year Ended 3/31/2006	197.04	189.88	
Year Ended 9/30/2006	200.63	192.13	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 3/31/2004	1.10	1.10	1.10
Year Ended 9/30/2004	1.08	1.08	1.08
Year Ended 3/31/2005	1.07	1.06	1.07
Year Ended 9/30/2005	1.05	1.04	1.05
Year Ended 3/31/2006	1.03	1.02	1.03
Year Ended 9/30/2006	1.01	1.01	1.01

Notes: (A) All items CPI index (urban). Source: Bureau of Labor Statistics.

(B) Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service.
Source: Bureau of Labor Statistics.

(C) Weighted Average determined as .50 (All items) + .50 (CCI).

(D) Average year ended index for period shown.

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY

AVERAGE ANNUAL RATES OF CHANGE
DATA ENDED SEPTEMBER 2006

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.93%	3.10%	3.14%
36 points	3.32%	3.48%	3.54%
24 points	3.59%	3.72%	3.79%
12 points	3.71%	3.77%	3.85%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	3.47%	3.72%	3.80%
12 points	3.35%	3.51%	3.59%
8 points	2.81%	2.88%	2.93%
4 points	2.62%	2.64%	2.68%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2006

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.99	0.99
36 points	0.99	0.99
24 points	0.98	0.98
12 points	0.91	0.91

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	0.99	0.99
12 points	0.99	0.99
8 points	0.98	0.98
4 points	0.99	0.99

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES(A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)		(6) PAID LOSSES(A)	(7) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)			(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
<u>BODILY INJURY (25/50 LIMIT)</u>			<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>					
Jun-01	\$556,255,404	88,910	6,256	\$6,106.41	\$568,326,527	220,789	\$2,574	\$2,553.45
Sep-01	544,252,163	86,961	6,259	6,151.12	560,981,958	216,929	2,586	2,555.58
Dec-01	550,668,848	87,243	6,312	6,196.16	565,884,857	219,205	2,582	2,557.71
Mar-02	543,022,316	86,006	6,314	6,241.53	563,613,140	217,937	2,586	2,559.85
Jun-02	543,493,514	86,361	6,293	6,287.23	567,429,128	217,704	2,606	2,561.98
Sep-02	559,451,713	88,027	6,355	6,333.27	579,322,461	221,201	2,619	2,564.11
Dec-02	556,366,543	88,191	6,309	6,379.64	579,298,989	220,022	2,633	2,566.25
Mar-03	565,020,444	89,293	6,328	6,426.36	581,408,892	220,483	2,637	2,568.39
Jun-03	570,413,587	89,700	6,359	6,473.41	586,424,418	223,385	2,625	2,570.53
Sep-03	565,972,210	89,902	6,295	6,520.82	596,804,968	228,702	2,610	2,572.67
Dec-03	573,841,787	90,652	6,330	6,568.56	603,332,292	233,932	2,579	2,574.82
Mar-04	574,495,410	90,750	6,331	6,616.66	610,345,508	237,808	2,567	2,576.97
Jun-04	583,598,672	92,124	6,335	6,665.11	616,374,621	241,785	2,549	2,579.11
Sep-04	596,650,627	93,059	6,412	6,713.91	611,829,670	241,271	2,536	2,581.26
Dec-04	599,867,815	93,480	6,417	6,763.08	618,026,531	242,830	2,545	2,583.41
Mar-05	609,805,070	93,785	6,502	6,812.60	623,486,108	244,812	2,547	2,585.57
Jun-05	613,898,574	93,756	6,548	6,862.48	627,701,830	245,340	2,558	2,587.72
Sep-05	615,006,639	93,573	6,572	6,912.73	631,392,047	246,463	2,562	2,589.88
Dec-05	618,555,923	92,422	6,693	6,963.35	624,681,286	242,312	2,578	2,592.04
Mar-06	625,668,252	92,726	6,747	7,014.34	633,714,152	243,605	2,601	2,594.20
Jun-06	627,010,915	92,081	6,809	7,065.70	635,135,768	241,590	2,629	2,596.36

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	BODILY INJURY	PROPERTY DAMAGE
	6-points	2.5%
	9-points	1.6%
	12-points	0.3%
	15-points	-0.4%

(A) FACTORS OF 1.129 WERE APPLIED TO BODILY INJURY AND 1.116 TO PROPERTY DAMAGE PAID LOSSES TO INCLUDE ALL LOSS ADJUSTMENT.

(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM COST

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES(A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)		(6) PAID LOSSES(A)	(7) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)			(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
<u>BODILY INJURY (25/50 EXCESS)</u>			<u>BODILY INJURY (TOTAL LIMITS)</u>					
Jun-01	\$102,998,921	88,910	\$1,158	\$1,414.81	\$659,254,325	88,910	\$7,415	\$7,523.88
Sep-01	102,620,082	86,961	1,180	1,428.87	646,872,245	86,961	7,439	7,582.58
Dec-01	102,846,178	87,243	1,179	1,443.08	653,515,026	87,243	7,491	7,641.73
Mar-02	101,337,938	86,006	1,178	1,457.42	644,360,254	86,006	7,492	7,701.34
Jun-02	105,306,264	86,361	1,219	1,471.91	648,799,778	86,361	7,513	7,761.42
Sep-02	110,778,776	88,027	1,258	1,486.54	670,230,489	88,027	7,614	7,821.96
Dec-02	111,912,691	88,191	1,269	1,501.32	668,279,234	88,191	7,578	7,882.98
Mar-03	112,135,900	89,293	1,256	1,516.24	677,156,344	89,293	7,584	7,944.47
Jun-03	118,382,239	89,700	1,320	1,531.31	688,795,826	89,700	7,679	8,006.45
Sep-03	121,658,543	89,902	1,353	1,546.54	687,630,753	89,902	7,649	8,068.90
Dec-03	131,051,008	90,652	1,446	1,561.91	704,892,795	90,652	7,776	8,131.85
Mar-04	134,559,739	90,750	1,483	1,577.44	709,055,149	90,750	7,813	8,195.28
Jun-04	138,954,559	92,124	1,508	1,593.12	722,553,231	92,124	7,843	8,259.21
Sep-04	148,753,503	93,059	1,598	1,608.95	745,404,130	93,059	8,010	8,323.64
Dec-04	153,190,947	93,480	1,639	1,624.95	753,058,762	93,480	8,056	8,388.58
Mar-05	154,936,653	93,785	1,652	1,641.10	764,741,723	93,785	8,154	8,454.01
Jun-05	150,318,303	93,756	1,603	1,657.41	764,216,877	93,756	8,151	8,519.96
Sep-05	143,301,665	93,573	1,531	1,673.89	758,308,304	93,573	8,104	8,586.42
Dec-05	139,470,110	92,422	1,509	1,690.53	758,026,033	92,422	8,202	8,653.41
Mar-06	144,848,480	92,726	1,562	1,707.33	770,516,732	92,726	8,310	8,720.91
Jun-06	148,324,789	92,081	1,611	1,724.30	775,335,704	92,081	8,420	8,788.94

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	25/50 <u>EXCESS</u>	TOTAL <u>LIMITS</u>
6-points	-2.5%	2.7%
9-points	-0.3%	2.9%
12-points	4.0%	3.2%
15-points	7.0%	3.0%

- (A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN MEDICAL PAYMENTS CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
Jun-01	\$91,824,582	61,890	\$1,484	\$1,602.38
Sep-01	91,037,180	60,698	1,500	1,615.19
Dec-01	91,542,525	60,432	1,515	1,628.10
Mar-02	91,900,871	59,806	1,537	1,641.11
Jun-02	93,504,558	59,381	1,575	1,654.23
Sep-02	96,578,258	60,201	1,604	1,667.46
Dec-02	98,212,392	60,813	1,615	1,680.78
Mar-03	100,000,376	61,131	1,636	1,694.22
Jun-03	101,300,464	61,849	1,638	1,707.76
Sep-03	101,293,766	61,994	1,634	1,721.41
Dec-03	100,916,215	61,373	1,644	1,735.17
Mar-04	101,188,032	60,797	1,664	1,749.05
Jun-04	101,290,234	60,494	1,674	1,763.03
Sep-04	102,293,348	59,973	1,706	1,777.12
Dec-04	102,669,582	59,439	1,727	1,791.33
Mar-05	102,281,695	59,012	1,733	1,805.64
Jun-05	102,430,807	58,637	1,747	1,820.08
Sep-05	102,361,907	58,682	1,744	1,834.63
Dec-05	102,342,793	58,108	1,761	1,849.29
Mar-06	103,584,042	58,554	1,769	1,864.07
Jun-06	103,255,744	57,999	1,780	1,878.98

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT: MEDICAL PAYMENTS

6-points	2.1%
9-points	2.7%
12-points	3.2%
15-points	3.0%

- (A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) THE FITS GIVEN USE THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1) YEAR ENDED	(2) EARNED EXPOSURES	(3) PAID CLAIMS	(4)	(5)	(6)
			PAID CLAIM FREQ (2)/(3)	PAID CLAIMS	PAID CLAIM FREQ (5)/(3)
		<u>BODILY INJURY</u>		<u>PROPERTY DAMAGE</u>	
Dec-00	5,607,078	89,716	1.6000	222,738	3.9724
Mar-01	5,613,410	89,853	1.6007	222,638	3.9662
Jun-01	5,632,925	88,910	1.5784	220,789	3.9196
Sep-01	5,659,830	86,961	1.5365	216,929	3.8328
Dec-01	5,694,710	87,243	1.5320	219,205	3.8493
Mar-02	5,745,937	86,006	1.4968	217,937	3.7929
Jun-02	5,793,552	86,361	1.4906	217,704	3.7577
Sep-02	5,835,241	88,027	1.5085	221,201	3.7908
Dec-02	5,877,545	88,191	1.5005	220,022	3.7434
Mar-03	5,915,686	89,293	1.5094	220,483	3.7271
Jun-03	5,934,308	89,700	1.5115	223,385	3.7643
Sep-03	5,961,808	89,902	1.5080	228,702	3.8361
Dec-03	5,989,850	90,652	1.5134	233,932	3.9055
Mar-04	6,010,830	90,750	1.5098	237,808	3.9563
Jun-04	6,053,477	92,124	1.5218	241,785	3.9942
Sep-04	6,093,282	93,059	1.5272	241,271	3.9596
Dec-04	6,141,817	93,480	1.5220	242,830	3.9537
Mar-05	6,218,837	93,785	1.5081	244,812	3.9366
Jun-05	6,281,046	93,756	1.4927	245,340	3.9060
Sep-05	6,338,827	93,573	1.4762	246,463	3.8881
Dec-05	6,383,982	92,422	1.4477	242,312	3.7956
Mar-06	6,414,389	92,726	1.4456	243,605	3.7978
Jun-06	6,470,135	92,081	1.4232	241,590	3.7339

(5) RATE OF CHANGE IN PAID
CLAIM FREQS FOR ANY 12 MONTH
INTERVAL ON THE EXPONENTIAL
CURVE OF BEST FIT:

	<u>B.I.</u>	<u>P.D.</u>
6-points	-4.5%	-4.2%
9-points	-3.6%	-3.2%
12-points	-2.2%	-1.4%
15-points	-1.4%	0.2%
22-points	-1.2%	0.1%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN CLAIM FREQUENCIES (A)

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQ (2)/(3)

MEDICAL PAYMENTS

Dec-00	4,161,268	62,056	1.4913
Mar-01	4,163,025	62,201	1.4941
Jun-01	4,180,255	61,890	1.4805
Sep-01	4,210,357	60,698	1.4416
Dec-01	4,250,272	60,432	1.4218
Mar-02	4,297,069	59,806	1.3918
Jun-02	4,336,083	59,381	1.3695
Sep-02	4,367,037	60,201	1.3785
Dec-02	4,396,899	60,813	1.3831
Mar-03	4,425,191	61,131	1.3814
Jun-03	4,442,063	61,849	1.3923
Sep-03	4,461,749	61,994	1.3895
Dec-03	4,476,419	61,373	1.3710
Mar-04	4,484,561	60,797	1.3557
Jun-04	4,506,517	60,494	1.3424
Sep-04	4,531,697	59,973	1.3234
Dec-04	4,571,206	59,439	1.3003
Mar-05	4,626,198	59,012	1.2756
Jun-05	4,674,159	58,637	1.2545
Sep-05	4,713,558	58,682	1.2450
Dec-05	4,741,436	58,108	1.2255
Mar-06	4,763,839	58,554	1.2291
Jun-06	4,798,946	57,999	1.2086

(5) RATE OF CHANGE IN PAID
CLAIM FREQS FOR ANY 12 MONTH
INTERVAL ON THE EXPONENTIAL
CURVE OF BEST FIT:

	<u>MEDICAL PAYMENTS</u>
6-points	-3.9%
9-points	-5.1%
12-points	-5.2%
15-points	-4.4%
22-points	-3.5%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ALL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.1%	2.2%	2.2%
12 points	2.8%	2.9%	3.0%
9 points	3.5%	3.6%	3.6%
6 points	3.8%	3.9%	3.9%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
22 points	-1.3%	-1.2%	-1.2%
15 points	-1.4%	-1.4%	-1.4%
12 points	-2.2%	-2.2%	-2.2%
9 points	-3.8%	-3.7%	-3.6%
6 points	-4.8%	-4.6%	-4.5%

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-0.4%	-0.4%	-0.4%
12 points	0.3%	0.3%	0.3%
9 points	1.5%	1.6%	1.6%
6 points	2.4%	2.5%	2.5%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
22 points	0.1%	0.1%	0.1%
15 points	0.2%	0.2%	0.2%
12 points	-1.4%	-1.4%	-1.4%
9 points	-3.4%	-3.2%	-3.2%
6 points	-4.4%	-4.3%	-4.2%

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.8%	3.0%	3.0%
12 points	3.0%	3.2%	3.2%
9 points	2.6%	2.7%	2.7%
6 points	2.0%	2.1%	2.1%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
22 points	-4.0%	-3.6%	-3.5%
15 points	-4.8%	-4.4%	-4.4%
12 points	-5.7%	-5.3%	-5.2%
9 points	-5.5%	-5.2%	-5.1%
6 points	-4.1%	-4.0%	-3.9%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	5.9%	6.6%	7.0%
12 points	3.6%	3.8%	4.0%
9 points	-0.3%	-0.3%	-0.3%
6 points	-2.6%	-2.5%	-2.5%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.9%	3.0%	3.0%
12 points	3.0%	3.1%	3.2%
9 points	2.7%	2.8%	2.9%
6 points	2.6%	2.6%	2.7%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ALL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.92	0.92
12 points	0.97	0.97
9 points	0.99	0.99
6 points	0.98	0.98

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.76	-0.76
15 points	-0.72	-0.72
12 points	-0.84	-0.84
9 points	-0.97	-0.97
6 points	-0.99	-0.99

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.35	-0.35
12 points	0.27	0.27
9 points	0.89	0.90
6 points	0.96	0.96

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	0.05	0.05
15 points	0.11	0.11
12 points	-0.61	-0.62
9 points	-0.97	-0.97
6 points	-0.97	-0.97

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.98	0.98
9 points	0.96	0.96
6 points	0.97	0.97

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.96	-0.96
15 points	-0.98	-0.97
12 points	-0.99	-0.99
9 points	-0.98	-0.98
6 points	-0.97	-0.97

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.82	0.82
12 points	0.61	0.61
9 points	-0.06	-0.06
6 points	-0.35	-0.34

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.97	0.97
9 points	0.94	0.94
6 points	0.85	0.85

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)

FULL COVERAGE COMPREHENSIVE

Sep-00	\$21,683,970	46,294	\$468	\$471.54
Dec-00	21,981,456	45,984	478	470.19
Mar-01	21,504,483	44,442	484	468.84
Jun-01	21,066,277	43,675	482	467.49
Sep-01	20,163,991	42,052	480	466.14
Dec-01	19,778,905	41,397	478	464.80
Mar-02	19,045,986	40,270	473	463.47
Jun-02	18,352,343	38,791	473	462.13
Sep-02	18,178,901	37,757	481	460.80
Dec-02	17,555,172	36,602	480	459.48
Mar-03	17,740,663	37,159	477	458.16
Jun-03	17,717,519	37,123	477	456.84
Sep-03	17,491,546	36,982	473	455.53
Dec-03	17,362,695	36,983	469	454.22
Mar-04	17,175,819	37,042	464	452.91
Jun-04	16,990,695	37,490	453	451.61
Sep-04	16,743,539	37,232	450	450.31
Dec-04	16,544,529	37,116	446	449.01
Mar-05	15,877,135	35,266	450	447.72
Jun-05	15,260,914	33,793	452	446.43
Sep-05	14,976,610	33,051	453	445.15
Dec-05	14,604,961	31,882	458	443.87
Mar-06	14,147,087	31,356	451	442.59
Jun-06	13,629,952	29,864	456	441.32

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	0.8%
9-points	0.6%
12-points	-1.1%
15-points	-1.8%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$50 DEDUCTIBLE COMPREHENSIVE				
Sep-00	\$2,231,141	4,983	\$448	\$495.46
Dec-00	2,304,233	4,832	477	491.74
Mar-01	2,285,691	4,684	488	488.05
Jun-01	2,231,315	4,705	474	484.38
Sep-01	2,195,872	4,544	483	480.75
Dec-01	2,125,834	4,456	477	477.14
Mar-02	2,182,972	4,365	500	473.56
Jun-02	2,145,240	4,183	513	470.00
Sep-02	2,164,959	4,077	531	466.47
Dec-02	2,095,866	3,969	528	462.97
Mar-03	1,984,184	3,951	502	459.49
Jun-03	1,958,449	3,927	499	456.04
Sep-03	1,838,238	3,822	481	452.62
Dec-03	1,860,714	3,855	483	449.22
Mar-04	1,844,220	3,846	480	445.85
Jun-04	1,783,746	3,981	448	442.50
Sep-04	1,798,210	4,018	448	439.18
Dec-04	1,705,324	3,960	431	435.88
Mar-05	1,711,687	3,835	446	432.61
Jun-05	1,699,643	3,647	466	429.36
Sep-05	1,615,360	3,661	441	426.14
Dec-05	1,623,308	3,574	454	422.94
Mar-06	1,518,077	3,502	433	419.76
Jun-06	1,501,727	3,373	445	416.61

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-2.3%
9-points	-0.2%
12-points	-3.0%
15-points	-4.5%

- (A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$100 DEDUCTIBLE COMPREHENSIVE				
Sep-00	\$15,843,354	28,622	\$554	\$557.28
Dec-00	16,232,921	28,824	563	553.26
Mar-01	15,983,468	28,380	563	549.26
Jun-01	16,036,094	28,454	564	545.29
Sep-01	15,396,727	28,109	548	541.36
Dec-01	15,398,725	28,007	550	537.45
Mar-02	15,830,603	28,175	562	533.56
Jun-02	15,548,504	28,030	555	529.71
Sep-02	15,773,815	27,820	567	525.89
Dec-02	15,598,347	27,539	566	522.09
Mar-03	15,469,644	27,803	556	518.32
Jun-03	15,448,544	27,770	556	514.57
Sep-03	15,225,694	27,874	546	510.86
Dec-03	14,994,096	27,904	537	507.17
Mar-04	14,731,512	28,093	524	503.51
Jun-04	14,736,536	28,687	514	499.87
Sep-04	14,716,425	28,734	512	496.26
Dec-04	14,503,528	28,795	504	492.67
Mar-05	14,072,460	27,723	508	489.12
Jun-05	13,565,033	26,687	508	485.58
Sep-05	12,965,204	25,825	502	482.08
Dec-05	12,433,388	24,790	502	478.60
Mar-06	12,025,184	24,251	496	475.14
Jun-06	11,708,813	23,309	502	471.71

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.5%
9-points	-1.4%
12-points	-2.9%
15-points	-3.7%

- (A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM COSTS

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$250 DEDUCTIBLE COMPREHENSIVE				
Sep-00	\$4,901,482	6,830	\$718	\$818.76
Dec-00	5,113,377	6,827	749	809.33
Mar-01	5,102,460	6,826	748	800.00
Jun-01	5,208,070	6,982	746	790.78
Sep-01	5,097,207	6,975	731	781.66
Dec-01	5,122,125	7,045	727	772.66
Mar-02	5,395,190	7,197	750	763.75
Jun-02	5,561,271	7,278	764	754.95
Sep-02	5,680,089	7,367	771	746.25
Dec-02	5,497,700	7,469	736	737.65
Mar-03	5,636,553	7,628	739	729.14
Jun-03	5,627,710	7,706	730	720.74
Sep-03	5,769,016	7,765	743	712.43
Dec-03	6,094,795	7,726	789	704.22
Mar-04	5,819,148	7,685	757	696.11
Jun-04	5,819,677	7,756	750	688.08
Sep-04	5,708,682	7,698	742	680.15
Dec-04	5,277,989	7,688	687	672.31
Mar-05	5,184,868	7,454	696	664.57
Jun-05	4,940,852	7,206	686	656.91
Sep-05	4,807,087	7,043	683	649.34
Dec-05	4,782,365	6,805	703	641.85
Mar-06	4,628,653	6,793	681	634.45
Jun-06	4,617,194	6,675	692	627.14

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.3%
9-points	-3.6%
12-points	-4.5%
15-points	-3.0%

- (A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.
(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
FULL COVERAGE COMPREHENSIVE			
Sep-00	730,925	46,294	6.3336
Dec-00	730,269	45,984	6.2969
Mar-01	728,139	44,442	6.1035
Jun-01	724,096	43,675	6.0317
Sep-01	718,245	42,052	5.8548
Dec-01	711,085	41,397	5.8217
Mar-02	703,625	40,270	5.7232
Jun-02	696,799	38,791	5.5670
Sep-02	690,359	37,757	5.4692
Dec-02	683,782	36,602	5.3529
Mar-03	677,069	37,159	5.4882
Jun-03	670,546	37,123	5.5362
Sep-03	664,364	36,982	5.5665
Dec-03	658,959	36,983	5.6123
Mar-04	654,513	37,042	5.6595
Jun-04	652,614	37,490	5.7446
Sep-04	655,292	37,232	5.6817
Dec-04	660,324	37,116	5.6209
Mar-05	664,453	35,266	5.3075
Jun-05	664,963	33,793	5.0819
Sep-05	658,940	33,051	5.0158
Dec-05	647,938	31,882	4.9205
Mar-06	635,153	31,356	4.9368
Jun-06	620,800	29,864	4.8106

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-6.6%
9-points	-9.2%
12-points	-6.5%
15-points	-4.0%
24-points	-3.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$50 DEDUCTIBLE COMPREHENSIVE			
Sep-00	93,407	4,983	5.3347
Dec-00	93,352	4,832	5.1761
Mar-01	93,009	4,684	5.0361
Jun-01	92,353	4,705	5.0946
Sep-01	91,357	4,544	4.9739
Dec-01	90,051	4,456	4.9483
Mar-02	88,585	4,365	4.9275
Jun-02	87,065	4,183	4.8045
Sep-02	85,522	4,077	4.7672
Dec-02	84,020	3,969	4.7239
Mar-03	82,607	3,951	4.7829
Jun-03	81,300	3,927	4.8303
Sep-03	80,109	3,822	4.7710
Dec-03	79,008	3,855	4.8793
Mar-04	78,001	3,846	4.9307
Jun-04	77,740	3,981	5.1209
Sep-04	78,803	4,018	5.0988
Dec-04	80,602	3,960	4.9130
Mar-05	82,582	3,835	4.6439
Jun-05	83,963	3,647	4.3436
Sep-05	83,994	3,661	4.3586
Dec-05	83,212	3,574	4.2951
Mar-06	82,174	3,502	4.2617
Jun-06	80,981	3,373	4.1652

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT: -

6-points	-6.8%
9-points	-10.7%
12-points	-6.8%
15-points	-4.2%
24-points	-2.9%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$100 DEDUCTIBLE COMPREHENSIVE			
Sep-00	479,867	28,622	5.9646
Dec-00	484,966	28,824	5.9435
Mar-01	489,275	28,380	5.8004
Jun-01	492,272	28,454	5.7801
Sep-01	493,842	28,109	5.6919
Dec-01	494,327	28,007	5.6657
Mar-02	493,661	28,175	5.7074
Jun-02	492,506	28,030	5.6913
Sep-02	491,002	27,820	5.6660
Dec-02	489,076	27,539	5.6308
Mar-03	487,325	27,803	5.7052
Jun-03	486,149	27,770	5.7122
Sep-03	485,443	27,874	5.7420
Dec-03	485,058	27,904	5.7527
Mar-04	484,642	28,093	5.7966
Jun-04	485,945	28,687	5.9033
Sep-04	491,191	28,734	5.8499
Dec-04	498,824	28,795	5.7726
Mar-05	506,001	27,723	5.4788
Jun-05	509,943	26,687	5.2333
Sep-05	508,188	25,825	5.0818
Dec-05	502,249	24,790	4.9358
Mar-06	495,296	24,251	4.8963
Jun-06	487,573	23,309	4.7806

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-9.9%
9-points	-11.1%
12-points	-7.7%
15-points	-5.2%
24-points	-2.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COMPREHENSIVE CLAIM FREQUENCY

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$250 DEDUCTIBLE COMPREHENSIVE			
Sep-00	162,312	6,830	4.2079
Dec-00	165,776	6,827	4.1182
Mar-01	169,013	6,826	4.0387
Jun-01	171,770	6,982	4.0647
Sep-01	174,082	6,975	4.0067
Dec-01	176,181	7,045	3.9987
Mar-02	178,109	7,197	4.0408
Jun-02	180,238	7,278	4.0380
Sep-02	182,371	7,367	4.0396
Dec-02	184,372	7,469	4.0510
Mar-03	186,304	7,628	4.0944
Jun-03	188,195	7,706	4.0947
Sep-03	190,286	7,765	4.0807
Dec-03	192,458	7,726	4.0144
Mar-04	194,819	7,685	3.9447
Jun-04	197,786	7,756	3.9214
Sep-04	201,786	7,698	3.8149
Dec-04	206,395	7,688	3.7249
Mar-05	210,564	7,454	3.5400
Jun-05	213,450	7,206	3.3760
Sep-05	214,522	7,043	3.2831
Dec-05	214,398	6,805	3.1740
Mar-06	214,170	6,793	3.1718
Jun-06	213,932	6,675	3.1202

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE
EXPONENTIAL CURVE OF BEST FIT:

6-points	-9.3%
9-points	-11.7%
12-points	-10.5%
15-points	-8.6%
24-points	-4.5%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	-1.9%	-1.8%	-1.8%
12 points	-1.2%	-1.2%	-1.1%
9 points	0.6%	0.6%	0.6%
6 points	0.8%	0.8%	0.8%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-4.1%	-3.7%	-3.6%
15 points	-4.2%	-3.9%	-4.0%
12 points	-7.3%	-6.6%	-6.5%
9 points	-10.8%	-9.6%	-9.2%
6 points	-7.2%	-6.9%	-6.6%

\$50 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	-5.1%	-4.6%	-4.5%
12 points	-3.2%	-3.1%	-3.0%
9 points	-0.2%	-0.2%	-0.2%
6 points	-2.4%	-2.3%	-2.3%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-3.2%	-2.9%	-2.9%
15 points	-4.5%	-4.2%	-4.2%
12 points	-7.7%	-6.9%	-6.8%
9 points	-12.9%	-11.3%	-10.7%
6 points	-7.4%	-7.1%	-6.8%

\$100 DEDUCTIBLE COMPREHENSIVE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	-4.1%	-3.8%	-3.7%
12 points	-3.1%	-2.9%	-2.9%
9 points	-1.4%	-1.4%	-1.4%
6 points	-1.5%	-1.5%	-1.5%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
24 points	-2.8%	-2.6%	-2.6%
15 points	-5.6%	-5.1%	-5.2%
12 points	-8.8%	-7.9%	-7.7%
9 points	-13.4%	-11.6%	-11.1%
6 points	-11.2%	-10.5%	-9.9%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
15 points	-3.2%		-3.0%	-3.0%
12 points	-5.0%		-4.7%	-4.5%
9 points	-3.9%		-3.7%	-3.6%
6 points	-0.2%		-0.2%	-0.3%

FREQ	STRAIGHT LINE			EXPONENTIAL
	END POINT		MID POINT	
24 points	-5.0%		-4.4%	-4.5%
15 points	-10.4%		-8.7%	-8.6%
12 points	-12.9%		-11.0%	-10.5%
9 points	-14.3%		-12.3%	-11.7%
6 points	-10.5%		-9.8%	-9.3%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

FULL COVERAGE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.80	-0.80
12 points	-0.58	-0.58
9 points	0.55	0.54
6 points	0.56	0.56

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.88	-0.88
15 points	-0.74	-0.75
12 points	-0.90	-0.91
9 points	-0.96	-0.97
6 points	-0.94	-0.94

\$50 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.84	-0.84
12 points	-0.68	-0.68
9 points	-0.07	-0.07
6 points	-0.43	-0.43

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.78	-0.79
15 points	-0.70	-0.71
12 points	-0.83	-0.84
9 points	-0.95	-0.96
6 points	-0.89	-0.90

\$100 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.94	-0.94
12 points	-0.89	-0.89
9 points	-0.86	-0.85
6 points	-0.78	-0.78

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.74	-0.74
15 points	-0.81	-0.81
12 points	-0.91	-0.91
9 points	-0.98	-0.98
6 points	-0.97	-0.98

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ISO ONLY, EXCLUDING WIND AND WATER AND "ALL OTHER"

\$250 DEDUCTIBLE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.73	-0.74
12 points	-0.83	-0.83
9 points	-0.70	-0.70
6 points	-0.10	-0.10

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.86	-0.85
15 points	-0.96	-0.96
12 points	-0.99	-0.98
9 points	-0.98	-0.98
6 points	-0.95	-0.96

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)
YEAR	PAID	PAID	ACTUAL	EXPONENTIAL
<u>ENDED</u>	<u>LOSSES (A)</u>	<u>CLAIMS</u>	<u>(2) / (3)</u>	<u>CURVE OF</u> <u>BEST FIT (B)</u>

\$100 DEDUCTIBLE COLLISION

Jun-01	\$51,536,420	23,839	2,162	\$2,315.76
Sep-01	49,849,937	23,295	2,140	2,317.64
Dec-01	49,803,518	23,105	2,156	2,319.51
Mar-02	49,035,561	22,778	2,153	2,321.40
Jun-02	48,902,742	22,414	2,182	2,323.28
Sep-02	48,923,907	21,955	2,228	2,325.16
Dec-02	47,399,120	21,172	2,239	2,327.05
Mar-03	47,300,797	20,462	2,312	2,328.93
Jun-03	46,851,344	20,004	2,342	2,330.82
Sep-03	46,033,108	19,701	2,337	2,332.71
Dec-03	45,411,080	19,586	2,319	2,334.60
Mar-04	44,739,734	19,384	2,308	2,336.50
Jun-04	43,767,347	19,004	2,303	2,338.39
Sep-04	43,340,648	18,629	2,327	2,340.29
Dec-04	42,542,314	18,016	2,361	2,342.18
Mar-05	41,420,732	17,599	2,354	2,344.08
Jun-05	40,672,079	17,389	2,339	2,345.98
Sep-05	39,530,814	16,979	2,328	2,347.89
Dec-05	38,945,384	16,761	2,324	2,349.79
Mar-06	38,675,984	16,634	2,325	2,351.69
Jun-06	38,237,384	16,220	2,357	2,353.60

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.2%
9-points	0.3%
12-points	0.3%
15-points	0.6%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)

\$200 DEDUCTIBLE COLLISION

Jun-01	\$8,540,820	3,582	2,384	\$2,731.10
Sep-01	8,275,062	3,505	2,361	2,727.73
Dec-01	8,135,677	3,482	2,336	2,724.37
Mar-02	8,125,289	3,462	2,347	2,721.01
Jun-02	8,078,254	3,388	2,384	2,717.66
Sep-02	8,199,918	3,267	2,510	2,714.30
Dec-02	7,995,434	3,160	2,530	2,710.96
Mar-03	7,897,148	3,025	2,611	2,707.61
Jun-03	7,588,273	2,910	2,608	2,704.27
Sep-03	7,650,702	2,860	2,675	2,700.94
Dec-03	7,740,668	2,813	2,752	2,697.61
Mar-04	7,599,771	2,774	2,740	2,694.28
Jun-04	7,420,976	2,738	2,710	2,690.96
Sep-04	7,140,201	2,660	2,684	2,687.64
Dec-04	6,978,848	2,546	2,741	2,684.33
Mar-05	6,620,610	2,432	2,722	2,681.02
Jun-05	6,769,273	2,452	2,761	2,677.71
Sep-05	6,405,262	2,459	2,605	2,674.41
Dec-05	6,390,419	2,443	2,616	2,671.11
Mar-06	6,752,052	2,547	2,651	2,667.82
Jun-06	6,863,892	2,468	2,781	2,664.53

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-0.1%
9-points	-0.5%
12-points	-0.5%
15-points	1.0%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$250 DEDUCTIBLE COLLISION				
Jun-01	\$271,085,252	108,758	2,493	\$2,609.51
Sep-01	266,174,992	106,936	2,489	2,612.15
Dec-01	263,720,461	106,393	2,479	2,614.80
Mar-02	264,885,955	106,271	2,493	2,617.44
Jun-02	264,158,477	104,873	2,519	2,620.09
Sep-02	266,616,513	104,845	2,543	2,622.75
Dec-02	267,088,446	104,108	2,565	2,625.40
Mar-03	270,117,371	103,514	2,609	2,628.06
Jun-03	272,204,698	103,319	2,635	2,630.72
Sep-03	273,261,817	103,199	2,648	2,633.38
Dec-03	270,370,040	102,334	2,642	2,636.05
Mar-04	268,317,754	101,834	2,635	2,638.72
Jun-04	262,242,943	100,638	2,606	2,641.39
Sep-04	256,778,482	98,694	2,602	2,644.06
Dec-04	253,438,315	96,822	2,618	2,646.74
Mar-05	247,068,757	94,953	2,602	2,649.42
Jun-05	247,224,148	94,354	2,620	2,652.10
Sep-05	245,203,782	93,348	2,627	2,654.79
Dec-05	243,697,073	92,556	2,633	2,657.48
Mar-06	242,360,416	90,808	2,669	2,660.17
Jun-06	240,626,858	89,637	2,684	2,662.86

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	2.5%
9-points	1.4%
12-points	0.4%
15-points	0.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM COSTS

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
\$500 DEDUCTIBLE COLLISION				
Jun-01	\$204,167,479	66,330	3,078	\$3,307.68
Sep-01	202,597,109	66,092	3,065	3,309.94
Dec-01	205,941,398	66,798	3,083	3,312.20
Mar-02	211,058,117	67,866	3,110	3,314.47
Jun-02	214,199,791	68,016	3,149	3,316.73
Sep-02	222,316,737	69,258	3,210	3,319.00
Dec-02	227,599,230	70,220	3,241	3,321.26
Mar-03	234,202,524	70,960	3,300	3,323.53
Jun-03	239,220,435	72,202	3,313	3,325.80
Sep-03	246,148,744	73,654	3,342	3,328.08
Dec-03	247,282,768	74,320	3,327	3,330.35
Mar-04	251,858,588	75,790	3,323	3,332.63
Jun-04	252,515,603	76,406	3,305	3,334.90
Sep-04	252,502,811	76,387	3,306	3,337.18
Dec-04	254,510,054	76,584	3,323	3,339.46
Mar-05	253,321,092	76,453	3,313	3,341.74
Jun-05	257,263,883	77,285	3,329	3,344.03
Sep-05	258,547,709	78,216	3,306	3,346.31
Dec-05	261,844,340	78,810	3,322	3,348.60
Mar-06	265,219,982	79,104	3,353	3,350.88
Jun-06	270,080,857	80,013	3,375	3,353.17

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	1.4%
9-points	0.8%
12-points	0.3%
15-points	0.5%

(A) INCLUDES A FACTOR OF 1.000 TO INCLUDE ALL LOSS ADJUSTMENT.

(B) USING THE 12-POINT AVERAGE ANNUAL RATE OF CHANGE.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2) / (3)</u>
\$100 DEDUCTIBLE COLLISION			
Dec-00	474,160	23,585	4.9741
Mar-01	466,361	23,866	5.1175
Jun-01	461,651	23,839	5.1639
Sep-01	459,720	23,295	5.0672
Dec-01	456,414	23,105	5.0623
Mar-02	451,726	22,778	5.0424
Jun-02	446,544	22,414	5.0194
Sep-02	440,598	21,955	4.9830
Dec-02	434,873	21,172	4.8685
Mar-03	429,376	20,462	4.7655
Jun-03	422,544	20,004	4.7342
Sep-03	415,252	19,701	4.7443
Dec-03	407,538	19,586	4.8059
Mar-04	399,445	19,384	4.8527
Jun-04	391,809	19,004	4.8503
Sep-04	385,458	18,629	4.8330
Dec-04	381,288	18,016	4.7250
Mar-05	378,058	17,599	4.6551
Jun-05	375,115	17,389	4.6356
Sep-05	371,136	16,979	4.5749
Dec-05	366,042	16,761	4.5790
Mar-06	360,876	16,634	4.6093
Jun-06	356,037	16,220	4.5557

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-1.4%
9-points	-3.1%
12-points	-2.3%
15-points	-1.7%
22-points	-2.3%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>

\$200 DEDUCTIBLE COLLISION

Dec-00	72,914	3,695	5.0676
Mar-01	71,887	3,619	5.0343
Jun-01	71,394	3,582	5.0172
Sep-01	71,317	3,505	4.9147
Dec-01	70,388	3,482	4.9469
Mar-02	68,853	3,462	5.0281
Jun-02	67,719	3,388	5.0030
Sep-02	66,954	3,267	4.8795
Dec-02	66,595	3,160	4.7451
Mar-03	66,538	3,025	4.5463
Jun-03	65,947	2,910	4.4126
Sep-03	64,886	2,860	4.4077
Dec-03	63,834	2,813	4.4067
Mar-04	62,858	2,774	4.4131
Jun-04	61,999	2,738	4.4162
Sep-04	61,253	2,660	4.3426
Dec-04	60,670	2,546	4.1965
Mar-05	60,202	2,432	4.0397
Jun-05	59,701	2,452	4.1071
Sep-05	59,178	2,459	4.1553
Dec-05	58,622	2,443	4.1674
Mar-06	58,046	2,547	4.3879
Jun-06	57,495	2,468	4.2925

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE
EXPONENTIAL CURVE OF BEST FIT:

6-points	5.9%
9-points	-0.5%
12-points	-1.7%
15-points	-2.6%
22-points	-4.1%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM FREQUENCY (A) <u>(2)/(3)</u>
\$250 DEDUCTIBLE COLLISION			
Dec-00	1,843,678	108,362	5.8775
Mar-01	1,845,387	106,553	5.7740
Jun-01	1,859,936	108,758	5.8474
Sep-01	1,884,930	106,936	5.6732
Dec-01	1,899,457	106,393	5.6012
Mar-02	1,903,806	106,271	5.5820
Jun-02	1,905,710	104,873	5.5031
Sep-02	1,905,341	104,845	5.5027
Dec-02	1,904,894	104,108	5.4653
Mar-03	1,904,966	103,514	5.4339
Jun-03	1,896,365	103,319	5.4483
Sep-03	1,885,196	103,199	5.4742
Dec-03	1,873,823	102,334	5.4612
Mar-04	1,860,800	101,834	5.4726
Jun-04	1,849,197	100,638	5.4423
Sep-04	1,838,513	98,694	5.3681
Dec-04	1,836,601	96,822	5.2718
Mar-05	1,839,957	94,953	5.1606
Jun-05	1,844,103	94,354	5.1165
Sep-05	1,844,993	93,348	5.0595
Dec-05	1,838,430	92,556	5.0345
Mar-06	1,828,343	90,808	4.9667
Jun-06	1,829,639	89,637	4.8992

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-4.0%
9-points	-5.0%
12-points	-4.4%
15-points	-3.3%
22-points	-2.8%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF AVERAGE ANNUAL CHANGE
IN COLLISION CLAIM FREQUENCY

ALL CARRIERS

(1)	(2)	(3)	(4)
YEAR	EARNED	PAID	PAID CLAIM
<u>ENDED</u>	<u>EXPOSURES</u>	<u>CLAIMS</u>	FREQUENCY (A)
			<u>(2) / (3)</u>

\$500 DEDUCTIBLE COLLISION

Dec-00	1,217,606	62,551	5.1372
Mar-01	1,234,124	63,243	5.1245
Jun-01	1,262,965	66,330	5.2519
Sep-01	1,301,411	66,092	5.0785
Dec-01	1,330,268	66,798	5.0214
Mar-02	1,348,847	67,866	5.0314
Jun-02	1,371,261	68,016	4.9601
Sep-02	1,397,964	69,258	4.9542
Dec-02	1,427,381	70,220	4.9195
Mar-03	1,462,935	70,960	4.8505
Jun-03	1,489,032	72,202	4.8489
Sep-03	1,511,173	73,654	4.8740
Dec-03	1,535,213	74,320	4.8410
Mar-04	1,553,549	75,790	4.8785
Jun-04	1,572,847	76,406	4.8578
Sep-04	1,592,371	76,387	4.7971
Dec-04	1,620,008	76,584	4.7274
Mar-05	1,654,685	76,453	4.6204
Jun-05	1,689,290	77,285	4.5750
Sep-05	1,723,470	78,216	4.5383
Dec-05	1,751,614	78,810	4.4993
Mar-06	1,778,686	79,104	4.4473
Jun-06	1,813,868	80,013	4.4112

(6) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:

6-points	-3.6%
9-points	-4.7%
12-points	-4.0%
15-points	-3.2%
22-points	-2.8%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ALL CARRIERS

\$100 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT	EXPONENTIAL	
15 points	0.6%	0.6%	0.6%	
12 points	0.3%	0.3%	0.3%	
9 points	0.3%	0.3%	0.3%	
6 points	-0.2%	-0.2%	-0.2%	

		STRAIGHT LINE		
FREQ	END POINT	MID POINT	EXPONENTIAL	
22 points	-2.4%	-2.3%	-2.3%	
15 points	-1.8%	-1.7%	-1.7%	
12 points	-2.4%	-2.3%	-2.3%	
9 points	-3.3%	-3.2%	-3.1%	
6 points	-1.4%	-1.4%	-1.4%	

\$200 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT	EXPONENTIAL	
15 points	0.9%	0.9%	1.0%	
12 points	-0.5%	-0.5%	-0.5%	
9 points	-0.5%	-0.4%	-0.5%	
6 points	-0.1%	-0.1%	-0.1%	

		STRAIGHT LINE		
FREQ	END POINT	MID POINT	EXPONENTIAL	
22 points	-4.7%	-4.2%	-4.1%	
15 points	-2.8%	-2.7%	-2.6%	
12 points	-1.8%	-1.7%	-1.7%	
9 points	-0.5%	-0.5%	-0.5%	
6 points	5.6%	5.8%	5.9%	

\$250 DEDUCTIBLE COLLISION

		STRAIGHT LINE		
COST	END POINT	MID POINT	EXPONENTIAL	
15 points	0.5%	0.5%	0.5%	
12 points	0.4%	0.4%	0.4%	
9 points	1.4%	1.4%	1.4%	
6 points	2.4%	2.4%	2.5%	

		STRAIGHT LINE		
FREQ	END POINT	MID POINT	EXPONENTIAL	
22 points	-3.0%	-2.8%	-2.8%	
15 points	-3.5%	-3.3%	-3.3%	
12 points	-4.7%	-4.4%	-4.4%	
9 points	-5.4%	-5.1%	-5.0%	
6 points	-4.1%	-4.0%	-4.0%	

NORTH CAROLINA
TREND SUMMARY
DATA ENDED JUNE 2006

ALL CARRIERS

\$500 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	0.5%	0.5%	0.5%
12 points	0.3%	0.3%	0.3%
9 points	0.8%	0.8%	0.8%
6 points	1.4%	1.4%	1.4%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
22 points	-3.0%	-2.8%	-2.8%
15 points	-3.4%	-3.2%	-3.2%
12 points	-4.3%	-4.1%	-4.0%
9 points	-5.1%	-4.9%	-4.7%
6 points	-3.8%	-3.7%	-3.6%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ALL CARRIERS

\$100 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.54	0.54
12 points	0.37	0.37
9 points	0.26	0.27
6 points	-0.11	-0.11

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.94	-0.94
15 points	-0.81	-0.81
12 points	-0.86	-0.86
9 points	-0.92	-0.92
6 points	-0.79	-0.79

\$200 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.39	0.39
12 points	-0.20	-0.21
9 points	-0.13	-0.14
6 points	-0.02	-0.02

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.91	-0.91
15 points	-0.72	-0.72
12 points	-0.49	-0.48
9 points	-0.10	-0.10
6 points	0.89	0.89

\$250 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.54	0.54
12 points	0.38	0.37
9 points	0.89	0.89
6 points	0.97	0.97

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.95	-0.95
15 points	-0.94	-0.93
12 points	-0.98	-0.98
9 points	-0.99	-0.99
6 points	-0.99	-0.99

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

ALL CARRIERS

\$500 DEDUCTIBLE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.63	0.63
12 points	0.39	0.39
9 points	0.79	0.79
6 points	0.81	0.81

FREQ	STRAIGHT LINE	EXPONENTIAL
22 points	-0.96	-0.96
15 points	-0.94	-0.94
12 points	-0.97	-0.97
9 points	-0.99	-0.99
6 points	-1.00	-1.00

NORTH CAROLINA

PRIVATE PASSENGER LIABILITY INSURANCE
UNINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Basic Limit <u>Losses (A) (B)</u>	(3) <u>Exposures</u>	(4) UM Pure Premium <u>(2) / (3)</u>
12/31/1994	38,986,329	4,552,669	8.56
12/31/1995	44,334,967	4,712,510	9.41
12/31/1996	47,456,787	4,798,419	9.89
12/31/1997	50,661,246	4,851,832	10.44
12/31/1998	49,738,954	5,036,177	9.88
12/31/1999	49,502,865	5,253,680	9.42
12/31/2000	50,162,804	5,381,629	9.32
12/31/2001	51,708,399	5,495,729	9.41
12/31/2002	55,404,822	5,646,981	9.81
12/31/2003	57,682,233	5,753,498	10.03
12/31/2004	54,133,768	5,932,589	9.12
12/31/2005	57,367,342	6,103,004	9.40

Annual Rates of Change based on the Exponential Curve of Best Fit:

4 points	-2.2%
6 points	-0.1%
9 points	-0.8%
12 points	0.1%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

(B) 25/50/15 limits from 12/31/1994 - 12/31/2005.

NORTH CAROLINA
PRIVATE PASSENGER LIABILITY INSURANCE
UNDERINSURED MOTORISTS
PURE PREMIUM TREND

(1) Accident <u>Year Ended</u>	(2) Total Limit <u>Losses (A)</u>	(3) <u>Exposures</u>	(4) UIM Pure Premium <u>(2) / (3)</u>
12/31/2000	55,377,602	3,346,995	16.55
12/31/2001	56,931,338	3,417,955	16.66
12/31/2002	60,752,864	3,512,024	17.30
12/31/2003	61,202,116	3,605,614	16.97
12/31/2004	78,194,474	3,717,847	21.03
12/31/2005	78,535,685	3,824,643	20.53

Annual Rates of Change based on the Exponential Curve of Best Fit:

3 points	10.0%
4 points	7.6%
6 points	5.1%

(A) Includes all loss adjustment expense and loss development for voluntary and ceded business combined.

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PURE PREMIUM	PCT. CHANGE ARISING		PCT. CHANGE FROM SAME QTR PRIOR YEAR
						QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	YEAR		QTR PRIOR YEAR	CLAIM FREQ.	
3/2001	805,453	9,283	13,894	69,122,633	1.15		7,446		85.82		1.72		
6/2001	795,011	8,843	13,846	63,084,536	1.11		7,134		79.35		1.74		
9/2001	809,912	8,735	13,613	65,512,421	1.08		7,500		80.89		1.68		
12/2001	800,686	9,846	15,406	73,832,417	1.23		7,499		92.21		1.92		
3/2002	825,590	9,199	13,849	68,074,966	1.11	-3.5	7,400	-0.6	82.46	-3.9	1.68	-2.3	
6/2002	811,763	9,385	14,262	68,102,954	1.16	4.5	7,257	1.7	83.90	5.7	1.76	1.1	
9/2002	838,317	9,464	14,904	70,287,498	1.13	4.6	7,427	-1.0	83.84	3.6	1.78	6.0	
12/2002	819,089	9,922	15,668	72,680,196	1.21	-1.6	7,325	-2.3	88.73	-3.8	1.91	-0.5	
3/2003	873,906	10,228	15,285	73,805,747	1.17	5.4	7,216	-2.5	84.46	2.4	1.75	4.2	
6/2003	855,596	10,284	16,917	78,296,920	1.20	3.4	7,613	4.9	91.51	9.1	1.98	12.5	
9/2003	887,083	10,395	16,809	78,524,262	1.17	3.5	7,554	1.7	88.52	5.6	1.89	6.2	
12/2003	878,810	11,226	17,323	85,301,765	1.28	5.8	7,599	3.7	97.07	9.4	1.97	3.1	
3/2004	900,941	10,103	15,560	77,312,219	1.12	-4.3	7,652	6.0	85.81	1.6	1.73	-1.1	
6/2004	886,614	10,154	16,489	80,189,729	1.15	-4.2	7,897	3.7	90.44	-1.2	1.86	-6.1	
9/2004	918,048	10,379	16,811	88,003,150	1.13	-3.4	8,479	12.2	95.86	8.3	1.83	-3.2	
12/2004	904,395	10,908	17,709	85,624,227	1.21	-5.5	7,850	3.3	94.68	-2.5	1.96	-0.5	
3/2005	930,668	10,156	15,627	81,768,092	1.09	-2.7	8,051	5.2	87.86	2.4	1.68	-2.9	
6/2005	913,706	10,840	16,902	84,232,115	1.19	3.5	7,770	-1.6	92.19	1.9	1.85	-0.5	
9/2005	948,029	10,562	15,538	86,078,084	1.11	-1.8	8,150	-3.9	90.80	-5.3	1.64	-10.4	
12/2005	947,490	10,932	16,770	90,392,766	1.15	-5.0	8,269	5.3	95.40	0.8	1.77	-9.7	
3/2006	967,782	10,499	15,995	87,961,369	1.08	-0.9	8,378	4.1	90.89	3.4	1.65	-1.8	
6/2006	967,050	10,267	16,076	85,943,517	1.06	-10.9	8,371	7.7	88.87	-3.6	1.66	-10.3	
4 QTRS ENDING													
12/2001	3,211,062	36,707	56,759	271,552,007	1.14		7,398		84.57		1.77		
3/2002	3,231,199	36,623	56,714	270,504,340	1.13		7,386		83.72		1.76		
6/2002	3,247,951	37,165	57,130	275,522,758	1.14		7,414		84.83		1.76		
9/2002	3,276,356	37,894	58,421	280,297,835	1.16		7,397		85.55		1.78		
12/2002	3,294,759	37,970	58,683	279,145,614	1.15	0.9	7,352	-0.6	84.72	0.2	1.78	0.6	
3/2003	3,343,075	38,999	60,119	284,876,395	1.17	3.5	7,305	-1.1	85.21	1.8	1.80	2.3	
6/2003	3,386,908	39,898	62,774	295,070,361	1.18	3.5	7,396	-0.2	87.12	2.7	1.85	5.1	
9/2003	3,435,674	40,829	64,679	303,307,125	1.19	2.6	7,429	0.4	88.28	3.2	1.88	5.6	
12/2003	3,495,395	42,133	66,334	315,928,694	1.21	5.2	7,498	2.0	90.38	6.7	1.90	6.7	
3/2004	3,522,430	42,008	66,609	319,435,166	1.19	1.7	7,604	4.1	90.69	6.4	1.89	5.0	
6/2004	3,553,448	41,878	66,181	321,327,975	1.18	0.0	7,673	3.7	90.43	3.8	1.86	0.5	
9/2004	3,584,413	41,862	66,183	330,806,863	1.17	-1.7	7,902	6.4	92.29	4.5	1.85	-1.6	
12/2004	3,609,998	41,544	66,569	331,129,325	1.15	-5.0	7,971	6.3	91.73	1.5	1.84	-3.2	
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	-4.2	8,068	6.1	92.20	1.7	1.83	-3.2	
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	-2.5	8,032	4.7	92.62	2.4	1.83	-1.6	
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	-1.7	7,952	0.6	91.35	-1.0	1.78	-3.8	
12/2005	3,739,893	42,490	64,837	342,471,057	1.14	-0.9	8,060	1.1	91.57	-0.2	1.73	-6.0	
3/2006	3,777,007	42,833	65,205	348,664,334	1.13	-0.9	8,140	0.9	92.31	0.1	1.73	-5.5	
6/2006	3,830,351	42,260	64,379	350,375,736	1.10	-4.3	8,291	3.2	91.47	-1.2	1.68	-8.2	
ANNUAL RATE OF CHANGE(19 PT.)					-0.4		2.9		2.4		-0.4		
ANNUAL RATE OF CHANGE(12 PT.)					-2.7		3.7		1.0		-4.1		
ANNUAL RATE OF CHANGE(9 PT.)					-2.6		2.7		0.2		-4.9		
ANNUAL RATE OF CHANGE(6 PT.)					-2.7		2.2		-0.5		-6.9		

PRIVATE PASSENGER AUTOMOBILE - PROPERTY DAMAGE

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE		PCT. CHANGE		PCT. CHANGE	
					FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	FROM SAME QTR PRIOR YEAR	PURE PREMIUM	FROM SAME QTR PRIOR YEAR	
3/2001	805,453	28,290	69,314,058	3.51		2,450		86.06		
6/2001	795,011	27,115	65,402,626	3.41		2,412		82.27		
9/2001	809,912	26,271	64,300,283	3.24		2,448		79.39		
12/2001	800,686	28,645	71,226,142	3.58		2,487		88.96		
3/2002	825,590	28,356	69,379,031	3.43	-2.3	2,447	-0.1	84.04	-2.3	
6/2002	811,763	27,575	67,896,818	3.40	-0.3	2,462	2.1	83.64	1.7	
9/2002	838,317	28,348	70,075,204	3.38	4.3	2,472	1.0	83.59	5.3	
12/2002	819,089	28,326	70,503,157	3.46	-3.4	2,489	0.1	86.08	-3.2	
3/2003	873,906	30,199	75,576,755	3.46	0.9	2,503	2.3	86.48	2.9	
6/2003	855,596	30,470	75,069,250	3.56	4.7	2,464	0.1	87.74	4.9	
9/2003	887,083	31,475	79,643,376	3.55	5.0	2,530	2.3	89.78	7.4	
12/2003	878,810	31,620	78,747,460	3.60	4.0	2,490	0.0	89.61	4.1	
3/2004	900,941	32,057	80,152,461	3.56	2.9	2,500	-0.1	88.97	2.9	
6/2004	886,614	31,752	77,846,998	3.58	0.6	2,452	-0.5	87.80	0.1	
9/2004	918,048	31,884	79,635,237	3.47	-2.3	2,498	-1.3	86.74	-3.4	
12/2004	904,395	31,679	82,286,098	3.50	-2.8	2,597	4.3	90.98	1.5	
3/2005	930,668	32,810	82,757,616	3.53	-0.8	2,522	0.9	88.92	-0.1	
6/2005	913,706	32,809	81,347,592	3.59	0.3	2,479	1.1	89.03	1.4	
9/2005	948,029	32,320	80,874,496	3.41	-1.7	2,502	0.2	85.31	-1.6	
12/2005	947,490	30,682	80,033,753	3.24	-7.4	2,608	0.4	84.47	-7.2	
3/2006	967,782	33,240	87,138,025	3.43	-2.8	2,621	3.9	90.04	1.3	
6/2006	967,050	31,012	81,682,371	3.21	-10.6	2,634	6.3	84.47	-5.1	
4 QTRS ENDING										
12/2001	3,211,062	110,321	270,243,109	3.44		2,450		84.16		
3/2002	3,231,199	110,387	270,308,082	3.42		2,449		83.66		
6/2002	3,247,951	110,847	272,802,274	3.41		2,461		83.99		
9/2002	3,276,356	112,924	278,577,195	3.45		2,467		85.03		
12/2002	3,294,759	112,605	277,854,210	3.42	-0.6	2,468	0.7	84.33	0.2	
3/2003	3,343,075	114,448	284,051,934	3.42	0.0	2,482	1.3	84.97	1.6	
6/2003	3,386,908	117,343	291,224,366	3.46	1.5	2,482	0.9	85.99	2.4	
9/2003	3,435,674	120,470	300,792,538	3.51	1.7	2,497	1.2	87.55	3.0	
12/2003	3,495,395	123,764	309,036,841	3.54	3.5	2,497	1.2	88.41	4.8	
3/2004	3,522,430	125,622	313,612,547	3.57	4.4	2,496	0.6	89.03	4.8	
6/2004	3,553,448	126,904	316,390,295	3.57	3.2	2,493	0.4	89.04	3.5	
9/2004	3,584,413	127,313	316,382,156	3.55	1.1	2,485	-0.5	88.27	0.8	
12/2004	3,609,998	127,372	319,920,794	3.53	-0.3	2,512	0.6	88.62	0.2	
3/2005	3,639,725	128,125	322,525,949	3.52	-1.4	2,517	0.8	88.61	-0.5	
6/2005	3,666,817	129,182	326,026,543	3.52	-1.4	2,524	1.2	88.91	-0.1	
9/2005	3,696,798	129,618	327,265,802	3.51	-1.1	2,525	1.6	88.53	0.3	
12/2005	3,739,893	128,621	325,013,457	3.44	-2.5	2,527	0.6	86.90	-1.9	
3/2006	3,777,007	129,051	329,393,866	3.42	-2.8	2,552	1.4	87.21	-1.6	
6/2006	3,830,351	127,254	329,728,645	3.32	-5.7	2,591	2.7	86.08	-3.2	
ANNUAL RATE OF CHANGE(19 PT.)				0.1		1.0		1.1		
ANNUAL RATE OF CHANGE(12 PT.)				-1.8		1.1		-0.7		
ANNUAL RATE OF CHANGE(9 PT.)				-3.0		1.7		-1.4		
ANNUAL RATE OF CHANGE(6 PT.)				-4.5		2.1		-2.5		

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	YEAR		
3/2001	698,562	48,969	38,268,174	7.01		781		54.78		
6/2001	689,852	53,736	37,005,059	7.79		689		53.64		
9/2001	700,626	53,277	37,446,220	7.60		703		53.45		
12/2001	692,723	50,238	43,968,728	7.25		875		63.47		
3/2002	712,681	48,152	39,062,299	6.76	-3.6	811	3.8	54.81	0.1	
6/2002	698,264	51,449	38,109,999	7.37	-5.4	741	7.5	54.58	1.8	
9/2002	718,812	53,068	40,495,910	7.38	-2.9	763	8.5	56.34	5.4	
12/2002	702,466	53,161	51,967,518	7.57	4.4	978	11.8	73.98	16.6	
3/2003	715,830	56,700	52,140,261	7.92	17.2	920	13.4	72.84	32.9	
6/2003	699,122	62,975	62,360,889	9.01	22.3	990	33.6	89.20	63.4	
9/2003	720,953	56,613	47,877,557	7.85	6.4	846	10.9	66.41	17.9	
12/2003	713,550	51,479	52,877,770	7.21	-4.8	1,027	5.0	74.11	0.2	
3/2004	728,152	51,766	40,150,822	7.11	-10.2	776	-15.7	55.14	-24.3	
6/2004	715,786	50,690	34,264,644	7.08	-21.4	676	-31.7	47.87	-46.3	
9/2004	740,390	51,051	42,354,048	6.90	-12.1	830	-1.9	57.21	-13.9	
12/2004	729,443	47,307	43,223,640	6.49	-10.0	914	-11.0	59.26	-20.0	
3/2005	747,765	44,591	37,152,583	5.96	-16.2	833	7.3	49.68	-9.9	
6/2005	733,425	47,932	34,467,283	6.54	-7.6	719	6.4	46.99	-1.8	
9/2005	759,618	48,718	36,570,428	6.41	-7.1	751	-9.5	48.14	-15.9	
12/2005	756,835	44,717	44,620,558	5.91	-8.9	998	9.2	58.96	-0.5	
3/2006	770,973	44,465	39,164,829	5.77	-3.2	881	5.8	50.80	2.3	
6/2006	770,628	50,978	45,214,234	6.62	1.2	887	23.4	58.67	24.9	
4 QTRS ENDING										
12/2001	2,781,763	206,220	156,688,181	7.41		760		56.33		
3/2002	2,795,882	205,403	157,482,306	7.35		767		56.33		
6/2002	2,804,294	203,116	158,587,246	7.24		781		56.55		
9/2002	2,822,480	202,907	161,636,936	7.19		797		57.27		
12/2002	2,832,223	205,830	169,635,726	7.27	-1.9	824	8.4	59.89	6.3	
3/2003	2,835,372	214,378	182,713,688	7.56	2.9	852	11.1	64.44	14.4	
6/2003	2,836,230	225,904	206,964,578	7.96	9.9	916	17.3	72.97	29.0	
9/2003	2,838,371	229,449	214,346,225	8.08	12.4	934	17.2	75.52	31.9	
12/2003	2,849,455	227,767	215,256,477	7.99	9.9	945	14.7	75.54	26.1	
3/2004	2,861,777	222,833	203,267,038	7.79	3.0	912	7.0	71.03	10.2	
6/2004	2,878,441	210,548	175,170,793	7.31	-8.2	832	-9.2	60.86	-16.6	
9/2004	2,897,878	204,986	169,647,284	7.07	-12.5	828	-11.3	58.54	-22.5	
12/2004	2,913,771	200,814	159,993,154	6.89	-13.8	797	-15.7	54.91	-27.3	
3/2005	2,933,384	193,639	156,994,915	6.60	-15.3	811	-11.1	53.52	-24.7	
6/2005	2,951,023	190,881	157,197,554	6.47	-11.5	824	-1.0	53.27	-12.5	
9/2005	2,970,251	188,548	151,413,934	6.35	-10.2	803	-3.0	50.98	-12.9	
12/2005	2,997,643	185,958	152,810,852	6.20	-10.0	822	3.1	50.98	-7.2	
3/2006	3,020,851	185,832	154,823,098	6.15	-6.8	833	2.7	51.25	-4.2	
6/2006	3,058,054	188,878	165,570,049	6.18	-4.5	877	6.4	54.14	1.6	
ANNUAL RATE OF CHANGE (19 PT.)				-4.7		1.0		-3.7		
ANNUAL RATE OF CHANGE (12 PT.)				-10.5		-3.7		-13.9		
ANNUAL RATE OF CHANGE (9 PT.)				-8.5		1.9		-6.8		
ANNUAL RATE OF CHANGE (6 PT.)				-5.6		5.2		-0.7		

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	
3/2001	648,111	34,690	95,536,067	5.35		2,754		147.41	
6/2001	640,493	32,908	84,992,940	5.14		2,583		132.70	
9/2001	650,223	32,547	85,103,563	5.01		2,615		130.88	
12/2001	643,055	33,343	92,414,063	5.19		2,772		143.71	
3/2002	661,114	35,569	99,100,378	5.38	0.6	2,786	1.2	149.90	1.7
6/2002	648,123	32,574	87,019,564	5.03	-2.1	2,671	3.4	134.26	1.2
9/2002	666,593	33,878	93,142,784	5.08	1.4	2,749	5.1	139.73	6.8
12/2002	651,560	33,598	95,506,388	5.16	-0.6	2,843	2.6	146.58	2.0
3/2003	663,002	34,933	104,691,474	5.27	-2.0	2,997	7.6	157.91	5.3
6/2003	647,443	32,740	89,956,993	5.06	0.6	2,748	2.9	138.94	3.5
9/2003	666,990	34,277	96,843,410	5.14	1.2	2,825	2.8	145.19	3.9
12/2003	660,222	33,357	92,892,410	5.05	-2.1	2,785	-2.0	140.70	-4.0
3/2004	673,345	36,622	108,772,956	5.44	3.2	2,970	-0.9	161.54	2.3
6/2004	662,187	32,832	88,026,851	4.96	-2.0	2,681	-2.4	132.93	-4.3
9/2004	684,318	33,823	95,050,575	4.94	-3.9	2,810	-0.5	138.90	-4.3
12/2004	674,119	31,322	91,775,184	4.65	-7.9	2,930	5.2	136.14	-3.2
3/2005	690,406	34,677	100,936,015	5.02	-7.7	2,911	-2.0	146.20	-9.5
6/2005	677,279	33,457	90,693,043	4.94	-0.4	2,711	1.1	133.91	0.7
9/2005	700,792	33,512	93,726,409	4.78	-3.2	2,797	-0.5	133.74	-3.7
12/2005	699,197	31,895	94,485,993	4.56	-1.9	2,962	1.1	135.14	-0.7
3/2006	710,653	34,482	103,932,231	4.85	-3.4	3,014	3.5	146.25	0.0
6/2006	711,197	32,676	93,345,117	4.59	-7.1	2,857	5.4	131.25	-2.0
4 QTRS ENDING									
12/2001	2,581,882	133,488	358,046,633	5.17		2,682		138.68	
3/2002	2,594,885	134,367	361,610,944	5.18		2,691		139.36	
6/2002	2,602,515	134,033	363,637,568	5.15		2,713		139.73	
9/2002	2,618,885	135,364	371,676,789	5.17		2,746		141.92	
12/2002	2,627,390	135,619	374,769,114	5.16	-0.2	2,763	3.0	142.64	2.9
3/2003	2,629,278	134,983	380,360,210	5.13	-1.0	2,818	4.7	144.66	3.8
6/2003	2,628,598	135,149	383,297,639	5.14	-0.2	2,836	4.5	145.82	4.4
9/2003	2,628,995	135,548	386,998,265	5.16	-0.2	2,855	4.0	147.20	3.7
12/2003	2,637,657	135,307	384,384,287	5.13	-0.6	2,841	2.8	145.73	2.2
3/2004	2,648,000	136,996	388,465,769	5.17	0.8	2,836	0.6	146.70	1.4
6/2004	2,662,744	137,088	386,535,627	5.15	0.2	2,820	-0.6	145.16	-0.5
9/2004	2,680,072	136,634	384,742,792	5.10	-1.2	2,816	-1.4	143.56	-2.5
12/2004	2,693,969	134,599	383,625,566	5.00	-2.5	2,850	0.3	142.40	-2.3
3/2005	2,711,030	132,654	375,788,625	4.89	-5.4	2,833	-0.1	138.61	-5.5
6/2005	2,726,122	133,279	378,454,817	4.89	-5.0	2,840	0.7	138.83	-4.4
9/2005	2,742,596	132,968	377,130,651	4.85	-4.9	2,836	0.7	137.51	-4.2
12/2005	2,767,674	133,541	379,841,460	4.83	-3.4	2,844	-0.2	137.24	-3.6
3/2006	2,787,921	133,346	382,837,676	4.78	-2.2	2,871	1.3	137.32	-0.9
6/2006	2,821,839	132,565	385,489,750	4.70	-3.9	2,908	2.4	136.61	-1.6
ANNUAL RATE OF CHANGE(19 PT.)				-2.0		1.3		-0.7	
ANNUAL RATE OF CHANGE(12 PT.)				-3.6		0.5		-3.1	
ANNUAL RATE OF CHANGE(9 PT.)				-4.2		1.2		-3.0	
ANNUAL RATE OF CHANGE(6 PT.)				-3.0		1.9		-1.2	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED JUNE 2006

NORTH CAROLINA BODILY INJURY

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	3.4%	3.7%	3.7%
12 points	3.4%	3.6%	3.7%
9 points	2.6%	2.7%	2.7%
6 points	2.2%	2.2%	2.2%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-1.6%	-1.5%	-1.5%
12 points	-2.9%	-2.8%	-2.7%
9 points	-2.7%	-2.6%	-2.6%
6 points	-2.8%	-2.7%	-2.7%

NORTH CAROLINA PROPERTY DAMAGE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.0%	1.0%	1.0%
12 points	1.1%	1.1%	1.1%
9 points	1.6%	1.7%	1.7%
6 points	2.0%	2.1%	2.1%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-0.4%	-0.4%	-0.4%
12 points	-1.8%	-1.8%	-1.8%
9 points	-3.1%	-3.0%	-3.0%
6 points	-4.7%	-4.5%	-4.5%

NORTH CAROLINA COMPREHENSIVE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	-2.3%	-2.2%	-2.2%
12 points	-4.2%	-4.0%	-3.7%
9 points	1.9%	1.9%	1.9%
6 points	5.0%	5.2%	5.2%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-9.2%	-7.9%	-7.7%
12 points	-13.2%	-11.2%	-10.5%
9 points	-9.9%	-8.9%	-8.5%
6 points	-6.0%	-5.8%	-5.6%

NORTH CAROLINA COLLISION

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	0.7%	0.7%	0.7%
12 points	0.5%	0.5%	0.5%
9 points	1.2%	1.2%	1.2%
6 points	1.9%	1.9%	1.9%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.9%	-2.7%	-2.7%
12 points	-3.8%	-3.6%	-3.6%
9 points	-4.5%	-4.2%	-4.2%
6 points	-3.1%	-3.1%	-3.0%

NORTH CAROLINA
FAST TRACK TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.97
12 points	0.95	0.94
9 points	0.87	0.87
6 points	0.72	0.71

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.72	-0.72
12 points	-0.94	-0.94
9 points	-0.89	-0.89
6 points	-0.77	-0.77

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.89	0.90
12 points	0.86	0.86
9 points	0.91	0.92
6 points	0.87	0.87

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.23	-0.23
12 points	-0.78	-0.77
9 points	-0.91	-0.91
6 points	-0.93	-0.93

NORTH CAROLINA COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.43	-0.43
12 points	-0.58	-0.58
9 points	0.47	0.46
6 points	0.77	0.77

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.88	-0.89
12 points	-0.97	-0.98
9 points	-0.96	-0.97
6 points	-0.95	-0.95

NORTH CAROLINA COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.68	0.68
12 points	0.54	0.54
9 points	0.82	0.82
6 points	0.87	0.87

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.93	-0.92
12 points	-0.97	-0.97
9 points	-0.97	-0.97
6 points	-0.95	-0.95

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE		PCT. CHANGE		PCT. CHANGE		PCT. CHANGE	
						FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	FROM SAME QTR PRIOR YEAR	PURE PREMIUM	FROM SAME QTR PRIOR YEAR	ARISING CLAIM FREQ.	FROM SAME QTR PRIOR YEAR	
3/2001	17,907,799	217,755	316,617	1,823,409,898	1.22		8,374		101.82		1.77		
6/2001	18,040,075	213,124	315,188	1,863,057,245	1.18		8,742		103.27		1.75		
9/2001	18,209,256	209,134	311,999	1,829,676,231	1.15		8,749		100.48		1.71		
12/2001	18,225,670	223,043	332,440	1,984,602,856	1.22		8,898		108.89		1.82		
3/2002	18,320,964	212,450	314,116	1,833,190,538	1.16	-4.9	8,629	3.0	100.06	-1.7	1.71	-3.4	
6/2002	18,416,996	212,383	322,201	1,920,488,194	1.15	-2.5	9,043	3.4	104.28	1.0	1.75	0.0	
9/2002	18,518,412	207,688	315,886	1,891,850,673	1.12	-2.6	9,109	4.1	102.16	1.7	1.71	0.0	
12/2002	18,353,617	214,553	322,125	1,985,797,080	1.17	-4.1	9,256	4.0	108.20	-0.6	1.76	-3.3	
3/2003	18,356,364	208,497	304,442	1,887,327,985	1.14	-1.7	9,052	4.9	102.82	2.8	1.66	-2.9	
6/2003	18,428,096	209,925	307,885	1,994,051,441	1.14	-0.9	9,499	5.0	108.21	3.8	1.67	-4.6	
9/2003	18,573,931	205,854	309,823	1,959,866,229	1.11	-0.9	9,521	4.5	105.52	3.3	1.67	-2.3	
12/2003	18,535,156	215,582	316,223	2,040,060,000	1.16	-0.9	9,463	2.2	110.06	1.7	1.71	-2.8	
3/2004	18,554,168	212,729	297,829	1,967,718,337	1.15	0.9	9,250	2.2	106.05	3.1	1.61	-3.0	
6/2004	18,694,569	208,218	301,280	2,030,411,474	1.11	-2.6	9,751	2.7	108.61	0.4	1.61	-3.6	
9/2004	18,884,889	204,210	301,141	2,015,876,603	1.08	-2.7	9,872	3.7	106.75	1.2	1.59	-4.8	
12/2004	18,869,872	208,692	309,040	2,077,045,357	1.11	-4.3	9,953	5.2	110.07	0.0	1.64	-4.1	
3/2005	18,957,213	204,017	292,570	1,961,148,080	1.08	-6.1	9,613	3.9	103.45	-2.5	1.54	-4.3	
6/2005	19,129,907	203,717	299,080	2,034,043,105	1.06	-4.5	9,985	2.4	106.33	-2.1	1.56	-3.1	
9/2005	19,363,754	198,643	289,871	2,008,131,271	1.03	-4.6	10,109	2.4	103.71	-2.8	1.50	-5.7	
12/2005	19,387,914	197,814	295,954	2,013,405,347	1.02	-8.1	10,178	2.3	103.85	-5.7	1.53	-6.7	
3/2006	19,409,639	199,366	286,930	2,018,912,673	1.03	-4.6	10,127	5.3	104.02	0.6	1.48	-3.9	
6/2006	19,587,250	198,220	283,381	2,022,189,432	1.01	-4.7	10,202	2.2	103.24	-2.9	1.45	-7.1	
4 QTRS ENDING													
12/2001	72,382,800	863,056	1276244	7,500,746,230	1.19		8,691		103.63		1.76		
3/2002	72,795,965	857,751	1273743	7,510,526,870	1.18		8,756		103.17		1.75		
6/2002	73,172,886	857,010	1280756	7,567,957,819	1.17		8,831		103.43		1.75		
9/2002	73,482,042	855,564	1284643	7,630,132,261	1.16		8,918		103.84		1.75		
12/2002	73,609,989	847,074	1274328	7,631,326,485	1.15	-3.4	9,009	3.7	103.67	0.0	1.73	-1.7	
3/2003	73,645,389	843,121	1264654	7,685,463,932	1.14	-3.4	9,115	4.1	104.36	1.2	1.72	-1.7	
6/2003	73,656,489	840,663	1250338	7,759,027,179	1.14	-2.6	9,230	4.5	105.34	1.8	1.70	-2.9	
9/2003	73,712,008	838,829	1244275	7,827,042,735	1.14	-1.7	9,331	4.6	106.18	2.3	1.69	-3.4	
12/2003	73,893,547	839,858	1238373	7,881,305,655	1.14	-0.9	9,384	4.2	106.66	2.9	1.68	-2.9	
3/2004	74,091,351	844,090	1231760	7,961,696,007	1.14	0.0	9,432	3.5	107.46	3.0	1.66	-3.5	
6/2004	74,357,824	842,383	1225155	7,998,056,040	1.13	-0.9	9,495	2.9	107.56	2.1	1.65	-2.9	
9/2004	74,668,782	840,739	1216473	8,054,066,414	1.13	-0.9	9,580	2.7	107.86	1.6	1.63	-3.6	
12/2004	75,003,498	833,849	1209290	8,091,051,771	1.11	-2.6	9,703	3.4	107.88	1.1	1.61	-4.2	
3/2005	75,406,543	825,137	1204031	8,084,481,514	1.09	-4.4	9,798	3.9	107.21	-0.2	1.60	-3.6	
6/2005	75,841,881	820,636	1201831	8,088,113,145	1.08	-4.4	9,856	3.8	106.64	-0.9	1.58	-4.2	
9/2005	76,320,746	815,069	1190561	8,080,367,813	1.07	-5.3	9,914	3.5	105.87	-1.8	1.56	-4.3	
12/2005	76,838,788	804,191	1177475	8,016,727,803	1.05	-5.4	9,969	2.7	104.33	-3.3	1.53	-5.0	
3/2006	77,291,214	799,540	1171835	8,074,492,396	1.03	-5.5	10,099	3.1	104.47	-2.6	1.52	-5.0	
6/2006	77,748,557	794,043	1156136	8,062,638,723	1.02	-5.6	10,154	3.0	103.70	-2.8	1.49	-5.7	
ANNUAL RATE OF CHANGE(19 PT.)					-3.0		3.6		0.5		-3.6		
ANNUAL RATE OF CHANGE(12 PT.)					-4.3		3.3		-1.1		-4.4		
ANNUAL RATE OF CHANGE(9 PT.)					-5.3		3.3		-2.1		-4.8		
ANNUAL RATE OF CHANGE(6 PT.)					-5.5		3.0		-2.7		-5.5		

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2001	24,979,023	1093565	2,533,456,817	4.38		2,317		101.42	
6/2001	25,215,193	1004462	2,340,418,357	3.98		2,330		92.82	
9/2001	25,467,088	990,838	2,360,993,244	3.89		2,383		92.71	
12/2001	25,506,468	1032711	2,493,917,877	4.05		2,415		97.78	
3/2002	25,680,490	1059015	2,568,262,569	4.12	-5.9	2,425	4.7	100.01	-1.4
6/2002	25,870,040	1023572	2,460,951,113	3.96	-0.5	2,404	3.2	95.13	2.5
9/2002	26,037,928	1026593	2,504,880,182	3.94	1.3	2,440	2.4	96.20	3.8
12/2002	25,810,416	1020367	2,532,876,379	3.95	-2.5	2,482	2.8	98.13	0.4
3/2003	25,819,047	1050077	2,611,641,021	4.07	-1.2	2,487	2.6	101.15	1.1
6/2003	25,966,056	995,040	2,467,380,409	3.83	-3.3	2,480	3.2	95.02	-0.1
9/2003	26,168,710	1001344	2,511,970,007	3.83	-2.8	2,509	2.8	95.99	-0.2
12/2003	26,106,106	1001541	2,517,336,166	3.84	-2.8	2,513	1.2	96.43	-1.7
3/2004	26,157,472	1064912	2,656,666,840	4.07	0.0	2,495	0.3	101.56	0.4
6/2004	26,413,110	987,651	2,449,443,218	3.74	-2.3	2,480	0.0	92.74	-2.4
9/2004	26,684,430	984,435	2,475,143,600	3.69	-3.7	2,514	0.2	92.76	-3.4
12/2004	26,648,063	986,450	2,516,759,837	3.70	-3.6	2,551	1.5	94.44	-2.1
3/2005	26,760,630	1055697	2,689,429,208	3.94	-3.2	2,548	2.1	100.50	-1.0
6/2005	27,026,488	1012071	2,579,440,629	3.74	0.0	2,549	2.8	95.44	2.9
9/2005	27,339,031	1010330	2,609,673,664	3.70	0.3	2,583	2.7	95.46	2.9
12/2005	27,344,093	972,291	2,571,606,979	3.56	-3.8	2,645	3.7	94.05	-0.4
3/2006	27,385,396	1042360	2,770,029,968	3.81	-3.3	2,657	4.3	101.15	0.6
6/2006	27,700,588	980,120	2,595,459,805	3.54	-5.3	2,648	3.9	93.70	-1.8
4 QTRS ENDING									
12/2001	101167772	4121576	9,728,786,295	4.07		2,360		96.16	
3/2002	101869239	4087026	9,763,592,047	4.01		2,389		95.84	
6/2002	102524086	4106136	9,884,124,803	4.01		2,407		96.41	
9/2002	103094926	4141891	10,028,011,741	4.02		2,421		97.27	
12/2002	103398874	4129547	10,066,970,243	3.99	-2.0	2,438	3.3	97.36	1.2
3/2003	103537431	4120609	10,110,348,695	3.98	-0.7	2,454	2.7	97.65	1.9
6/2003	103633447	4092077	10,116,777,991	3.95	-1.5	2,472	2.7	97.62	1.3
9/2003	103764229	4066828	10,123,867,816	3.92	-2.5	2,489	2.8	97.57	0.3
12/2003	104059919	4048002	10,108,327,603	3.89	-2.5	2,497	2.4	97.14	-0.2
3/2004	104398344	4062837	10,153,353,422	3.89	-2.3	2,499	1.8	97.26	-0.4
6/2004	104845398	4055448	10,135,416,231	3.87	-2.0	2,499	1.1	96.67	-1.0
9/2004	105361118	4038539	10,098,589,824	3.83	-2.3	2,501	0.5	95.85	-1.8
12/2004	105903075	4023448	10,098,013,495	3.80	-2.3	2,510	0.5	95.35	-1.8
3/2005	106506233	4014233	10,130,775,863	3.77	-3.1	2,524	1.0	95.12	-2.2
6/2005	107119611	4038653	10,260,773,274	3.77	-2.6	2,541	1.7	95.79	-0.9
9/2005	107774212	4064548	10,395,303,338	3.77	-1.6	2,558	2.3	96.45	0.6
12/2005	108470242	4050389	10,450,150,480	3.73	-1.8	2,580	2.8	96.34	1.0
3/2006	109095008	4037052	10,530,751,240	3.70	-1.9	2,609	3.4	96.53	1.5
6/2006	109769108	4005101	10,546,770,416	3.65	-3.2	2,633	3.6	96.08	0.3
ANNUAL RATE OF CHANGE(19 PT.)				-2.2		2.0		-0.2	
ANNUAL RATE OF CHANGE(12 PT.)				-2.4		2.0		-0.4	
ANNUAL RATE OF CHANGE(9 PT.)				-2.5		2.7		0.2	
ANNUAL RATE OF CHANGE(6 PT.)				-2.6		3.5		0.8	

PRIVATE PASSENGER AUTOMOBILE - COMPREHENSIVE COMBINED STATE: MULTI

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR		AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	QTR PRIOR YEAR		QTR PRIOR YEAR	QTR PRIOR YEAR		
3/2001	22,298,792	1668038	1,417,022,791	7.48			850			63.55	
6/2001	22,452,595	2158133	2,144,611,466	9.61			994			95.52	
9/2001	22,672,884	2048700	2,010,280,872	9.04			981			88.66	
12/2001	22,756,496	1819853	1,821,908,177	8.00			1,001			80.06	
3/2002	22,933,108	1674536	1,512,462,850	7.30	-2.4		903	6.2		65.95	3.8
6/2002	23,027,670	2011126	1,917,529,838	8.73	-9.2		953	-4.1		83.27	-12.8
9/2002	23,138,461	1968599	1,735,352,021	8.51	-5.9		882	-10.1		75.00	-15.4
12/2002	22,979,562	1755188	1,769,862,412	7.64	-4.5		1,008	0.7		77.02	-3.8
3/2003	22,953,265	1608655	1,471,991,848	7.01	-4.0		915	1.3		64.13	-2.8
6/2003	22,970,196	2055239	2,239,529,616	8.95	2.5		1,090	14.4		97.50	17.1
9/2003	23,076,787	1952363	1,826,597,843	8.46	-0.6		936	6.1		79.15	5.5
12/2003	23,040,465	1629326	1,728,647,779	7.07	-7.5		1,061	5.3		75.03	-2.6
3/2004	23,153,438	1521461	1,332,688,447	6.60	-5.8		876	-4.3		57.78	-9.9
6/2004	23,316,592	1780150	1,613,184,652	7.69	-14.1		906	-16.9		69.67	-28.5
9/2004	23,292,947	1582472	1,802,555,700	7.87	-7.0		982	4.9		77.31	-2.3
12/2004	23,384,707	1499618	1,711,017,681	6.79	-4.0		1,081	1.9		73.46	-2.1
3/2005	23,509,154	1710904	1,347,342,688	6.41	-2.9		898	2.5		57.62	-0.3
6/2005	23,730,309	1725233	1,534,896,735	7.28	-5.3		897	-1.0		65.29	-6.3
9/2005	23,796,449	1682092	1,805,935,851	7.27	-7.6		1,047	6.6		76.10	-1.6
12/2005	23,814,848	1449046	2,617,299,046	7.07	4.1		1,556	43.9		109.99	49.7
3/2006	24,008,463	1692264	1,510,585,839	6.08	-5.1		1,042	16.0		63.43	10.1
6/2006			1,808,319,093	7.05	-3.2		1,069	19.2		75.32	15.4
4 QTRS ENDING											
12/2001	90,180,767	7694724	7,393,823,306	8.53			961			81.99	
3/2002	90,815,083	7701222	7,489,263,365	8.48			972			82.47	
6/2002	91,390,158	754215	7,262,181,737	8.27			961			79.46	
9/2002	91,855,735	7474114	6,987,252,886	8.14			935			76.07	
12/2002	92,078,801	7409449	6,935,207,121	8.05	-5.6		936	-2.6		75.32	-8.1
3/2003	92,098,958	7343568	6,894,736,119	7.97	-6.0		939	-3.4		74.86	-9.2
6/2003	92,041,484	7387681	7,216,735,897	8.03	-2.9		977	1.7		78.41	-1.3
9/2003	91,979,810	7371445	7,307,981,719	8.01	-1.6		991	6.0		79.45	4.4
12/2003	92,040,713	7245583	7,266,767,086	7.87	-2.2		1,003	7.2		78.95	4.8
3/2004	92,154,016	7158389	7,127,463,685	7.77	-2.5		996	6.1		77.34	3.3
6/2004	92,337,258	6883300	6,501,118,721	7.45	-7.2		944	-3.4		70.41	-10.2
9/2004	92,577,063	6766361	6,477,076,578	7.31	-8.7		957	-3.4		69.96	-11.9
12/2004	92,829,545	6719507	6,459,446,480	7.24	-8.0		961	-4.2		69.58	-11.9
3/2005	93,147,684	6697664	6,474,100,721	7.19	-7.5		967	-2.9		69.50	-10.1
6/2005	93,503,400	6628418	6,395,812,804	7.09	-4.8		965	2.2		68.40	-2.9
9/2005	93,917,117	6518227	6,399,192,955	6.94	-5.1		982	2.6		68.14	-2.6
12/2005	94,420,619	6617847	7,305,474,320	7.01	-3.2		1,104	14.9		77.37	11.2
3/2006	94,850,760	6567275	7,468,717,471	6.92	-3.8		1,137	17.6		78.74	13.3
6/2006	95,350,069	6548635	7,742,139,829	6.87	-3.1		1,182	22.5		81.20	18.7
ANNUAL RATE OF CHANGE(19 PT.)											
ANNUAL RATE OF CHANGE(12 PT.)											
ANNUAL RATE OF CHANGE(9 PT.)											
ANNUAL RATE OF CHANGE(6 PT.)											
-5.0											
-5.5											
-3.8											
-3.3											
3.2											
5.8											
12.1											
7.7											
16.4											
20.2											
-C.0											
-7.7											
16.4											

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME		PCT. CHANGE FROM SAME QTR PRIOR YEAR
					QTR PRIOR YEAR	AVERAGE LOSS	QTR PRIOR YEAR	PURE PREMIUM	
3/2001	21,010,305	1602208	4,213,211,216	7.63		2,630		200.53	
6/2001	21,227,062	1406524	3,466,130,993	6.63		2,464		163.29	
9/2001	21,468,901	1410372	3,602,155,252	6.57		2,554		167.78	
12/2001	21,530,632	1431956	3,829,120,297	6.65		2,674		177.85	
3/2002	21,644,193	1506942	4,103,509,874	6.96	-8.8	2,723	3.5	189.59	-5.5
6/2002	21,800,152	1420241	3,617,731,592	6.51	-1.8	2,547	3.4	165.95	1.6
9/2002	21,933,975	1425996	3,758,544,791	6.50	-1.1	2,636	3.2	171.36	2.1
12/2002	21,735,186	1392302	3,908,166,391	6.41	-3.6	2,807	5.0	179.81	1.1
3/2003	21,670,249	1477199	4,255,905,345	6.82	-2.0	2,881	5.8	196.39	3.6
6/2003	21,753,733	1321848	3,516,175,532	6.08	-6.6	2,660	4.4	161.64	-2.6
9/2003	21,868,660	1330209	3,626,252,221	6.08	-6.5	2,726	3.4	165.82	-3.2
12/2003	21,782,631	1316685	3,730,382,141	6.04	-5.8	2,833	0.9	171.25	-4.8
3/2004	21,770,181	1442164	4,195,863,213	6.62	-2.9	2,909	1.0	192.73	-1.9
6/2004	21,925,915	1267903	3,371,533,474	5.78	-4.9	2,659	-0.0	153.77	-4.9
9/2004	22,107,935	1271253	3,545,762,625	5.75	-5.4	2,789	2.3	160.38	-3.3
12/2004	22,040,129	1269622	3,706,961,428	5.76	-4.6	2,920	3.1	168.19	-1.8
3/2005	22,094,664	1407989	4,276,850,443	6.37	-3.8	3,038	4.4	193.57	0.4
6/2005	22,289,151	1282923	3,582,847,875	5.76	-0.3	2,793	5.0	160.74	4.5
9/2005	22,531,280	1289151	3,664,933,577	5.72	-0.5	2,843	1.9	162.66	1.4
12/2005	22,517,407	1274804	3,862,631,727	5.66	-1.7	3,030	3.8	171.54	2.0
3/2006	22,539,442	1369209	4,296,214,255	6.07	-4.7	3,138	3.3	190.61	-1.5
6/2006	22,792,827	1253478	3,626,737,181	5.50	-4.5	2,893	3.6	159.12	-1.0
4 QTRS ENDING									
12/2001	85,236,900	5851060	15,110,617,758	6.86		2,583		177.28	
3/2002	85,870,788	5755794	15,000,916,416	6.70		2,606		174.69	
6/2002	86,443,878	5769511	15,152,517,015	6.67		2,626		175.29	
9/2002	86,908,952	5785135	15,308,906,554	6.66		2,646		176.15	
12/2002	87,113,506	5745481	15,387,952,648	6.60	-3.8	2,678	3.7	176.64	-0.4
3/2003	87,139,562	5715738	15,540,348,119	6.56	-2.1	2,719	4.3	178.34	2.1
6/2003	87,093,143	5617345	15,438,792,059	6.45	-3.3	2,748	4.6	177.27	1.1
9/2003	87,027,828	5521558	15,306,499,489	6.34	-4.8	2,772	4.8	175.88	-0.2
12/2003	87,075,273	5445941	15,128,715,239	6.25	-5.3	2,778	3.7	173.74	-1.6
3/2004	87,175,205	5410906	15,068,673,107	6.21	-5.3	2,785	2.4	172.86	-3.1
6/2004	87,347,387	5356961	14,924,031,049	6.13	-5.0	2,786	1.4	170.86	-3.6
9/2004	87,586,662	5298005	14,843,541,453	6.05	-4.6	2,802	1.1	169.47	-3.6
12/2004	87,844,160	5250942	14,820,120,740	5.98	-4.3	2,822	1.6	168.71	-2.9
3/2005	88,168,643	5216767	14,901,107,970	5.92	-4.7	2,856	2.5	169.01	-2.2
6/2005	88,531,879	5231787	15,112,422,371	5.91	-3.6	2,889	3.7	170.70	-0.1
9/2005	88,955,224	5249685	15,231,593,323	5.90	-2.5	2,901	3.5	171.23	1.0
12/2005	89,432,502	5254867	15,387,263,622	5.88	-1.7	2,928	3.8	172.05	2.0
3/2006	89,877,280	5216087	15,406,627,434	5.80	-2.0	2,954	3.4	171.42	1.4
6/2006	90,380,956	5186642	15,450,516,740	5.74	-2.9	2,979	3.1	170.95	0.1
ANNUAL RATE OF CHANGE(19 PT.)				-3.9		3.0		-1.0	
ANNUAL RATE OF CHANGE(12 PT.)				-3.3		2.8		-0.6	
ANNUAL RATE OF CHANGE(9 PT.)				-2.8		3.5		0.6	
ANNUAL RATE OF CHANGE(6 PT.)				-2.4		3.3		0.9	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED JUNE 2006

MULTISTATE BODILY INJURY

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	3.1%	3.3%	3.4%
12 points	3.1%	3.2%	3.3%
9 points	3.2%	3.3%	3.3%
6 points	2.9%	2.9%	3.0%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-3.6%	-3.4%	-3.3%
12 points	-4.6%	-4.4%	-4.3%
9 points	-5.8%	-5.4%	-5.3%
6 points	-5.8%	-5.6%	-5.5%

MULTISTATE PROPERTY DAMAGE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.8%	1.9%	1.9%
12 points	1.9%	2.0%	2.0%
9 points	2.6%	2.7%	2.7%
6 points	3.4%	3.4%	3.5%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.5%	-2.4%	-2.4%
12 points	-2.5%	-2.4%	-2.4%
9 points	-2.6%	-2.5%	-2.5%
6 points	-2.6%	-2.6%	-2.6%

MULTISTATE COMPREHENSIVE

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	4.4%	4.8%	4.7%
12 points	5.5%	5.9%	5.8%
9 points	10.5%	11.9%	12.1%
6 points	16.6%	18.5%	20.2%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-5.8%	-5.3%	-5.2%
12 points	-6.2%	-5.7%	-5.5%
9 points	-4.1%	-3.9%	-3.8%
6 points	-3.4%	-3.3%	-3.3%

MULTISTATE COLLISION

STRAIGHT LINE			
COST	END POINT	MID POINT	EXPONENTIAL
15 points	2.6%	2.8%	2.8%
12 points	2.7%	2.8%	2.8%
9 points	3.3%	3.5%	3.5%
6 points	3.2%	3.3%	3.3%

STRAIGHT LINE			
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-4.3%	-3.9%	-3.9%
12 points	-3.6%	-3.4%	-3.3%
9 points	-2.9%	-2.8%	-2.8%
6 points	-2.5%	-2.4%	-2.4%

NORTH CAROLINA
FAST TRACK TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED JUNE 2006

MULTISTATE BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	1.00	1.00
12 points	1.00	1.00
9 points	0.99	0.99
6 points	0.99	0.99

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.94	-0.94
12 points	-0.97	-0.97
9 points	-0.99	-0.99
6 points	-0.99	-0.99

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.96	0.96
12 points	0.94	0.94
9 points	0.98	0.98
6 points	0.99	1.00

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.99	-0.99
12 points	-0.98	-0.98
9 points	-0.97	-0.97
6 points	-0.92	-0.92

MULTISTATE COMPREHENSIVE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.71	0.71
12 points	0.68	0.68
9 points	0.89	0.90
6 points	0.95	0.95

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.97	-0.97
12 points	-0.96	-0.96
9 points	-0.97	-0.97
6 points	-0.91	-0.91

MULTISTATE COLLISION

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.99
12 points	0.98	0.98
9 points	1.00	1.00
6 points	1.00	1.00

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.98	-0.98
12 points	-0.98	-0.98
9 points	-0.97	-0.97
6 points	-0.93	-0.92

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

(1)			(2)			(3)			(4)		
<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1984:4	0.973	-2.7%	1995:4	0.967	-4.8%	1995:4	0.967	-4.8%	1995:4	0.967	-4.8%
1985:1	0.941	-3.6%	1996:1	0.990	1.3%	1996:1	0.990	1.3%	1996:1	0.990	1.3%
1985:2	1.003	1.2%	1996:2	1.108	7.3%	1996:2	1.108	7.3%	1996:2	1.108	7.3%
1985:3	1.008	3.7%	1996:3	1.069	5.3%	1996:3	1.069	5.3%	1996:3	1.069	5.3%
1985:4	0.992	2.0%	1996:4	1.067	10.4%	1996:4	1.067	10.4%	1996:4	1.067	10.4%
1986:1	0.908	-3.5%	1997:1	1.070	8.1%	1997:1	1.070	8.1%	1997:1	1.070	8.1%
1986:2	0.763	-24.0%	1997:2	1.053	-5.0%	1997:2	1.053	-5.0%	1997:2	1.053	-5.0%
1986:3	0.718	-28.7%	1997:3	1.067	-0.2%	1997:3	1.067	-0.2%	1997:3	1.067	-0.2%
1986:4	0.690	-30.4%	1997:4	1.040	-2.6%	1997:4	1.040	-2.6%	1997:4	1.040	-2.6%
1987:1	0.750	-17.4%	1998:1	0.937	-12.5%	1998:1	0.937	-12.5%	1998:1	0.937	-12.5%
1987:2	0.794	4.0%	1998:2	0.932	-11.5%	1998:2	0.932	-11.5%	1998:2	0.932	-11.5%
1987:3	0.835	16.2%	1998:3	0.913	-14.5%	1998:3	0.913	-14.5%	1998:3	0.913	-14.5%
1987:4	0.827	19.7%	1998:4	0.884	-15.0%	1998:4	0.884	-15.0%	1998:4	0.884	-15.0%
1988:1	0.783	4.4%	1999:1	0.845	-9.8%	1999:1	0.845	-9.8%	1999:1	0.845	-9.8%
1988:2	0.806	1.6%	1998:2	0.999	7.2%	1998:2	0.999	7.2%	1998:2	0.999	7.2%
1988:3	0.832	-0.3%	1999:3	1.063	16.4%	1999:3	1.063	16.4%	1999:3	1.063	16.4%
1988:4	0.811	-1.9%	1999:4	1.099	24.3%	1999:4	1.099	24.3%	1999:4	1.099	24.3%
1989:1	0.803	2.5%	2000:1	1.200	42.1%	2000:1	1.200	42.1%	2000:1	1.200	42.1%
1989:2	0.950	17.9%	2000:2	1.313	31.4%	2000:2	1.313	31.4%	2000:2	1.313	31.4%
1989:3	0.915	10.0%	2000:3	1.325	24.7%	2000:3	1.325	24.7%	2000:3	1.325	24.7%
1989:4	0.871	7.4%	2000:4	1.305	18.8%	2000:4	1.305	18.8%	2000:4	1.305	18.8%
1990:1	0.900	12.1%	2001:1	1.253	4.4%	2001:1	1.253	4.4%	2001:1	1.253	4.4%
1990:2	0.927	-2.5%	2001:2	1.400	6.7%	2001:2	1.400	6.7%	2001:2	1.400	6.7%
1990:3	1.031	12.7%	2001:3	1.256	-5.2%	2001:3	1.256	-5.2%	2001:3	1.256	-5.2%
1990:4	1.182	35.7%	2001:4	1.049	-19.6%	2001:4	1.049	-19.6%	2001:4	1.049	-19.6%
1991:1	1.005	11.7%	2002:1	1.006	-19.7%	2002:1	1.006	-19.7%	2002:1	1.006	-19.7%
1991:2	0.989	6.7%	2002:2	1.204	-14.0%	2002:2	1.204	-14.0%	2002:2	1.204	-14.0%
1991:3	0.991	-3.9%	2002:3	1.208	-3.8%	2002:3	1.208	-3.8%	2002:3	1.208	-3.8%
1991:4	0.985	-16.7%	2002:4	1.223	16.5%	2002:4	1.223	16.5%	2002:4	1.223	16.5%
1992:1	0.934	-7.1%	2003:1	1.376	36.7%	2003:1	1.376	36.7%	2003:1	1.376	36.7%
1992:2	0.991	0.2%	2003:2	1.333	10.8%	2003:2	1.333	10.8%	2003:2	1.333	10.8%
1992:3	1.022	3.1%	2003:3	1.383	14.5%	2003:3	1.383	14.5%	2003:3	1.383	14.5%
1992:4	1.013	2.8%	2003:4	1.313	7.4%	2003:4	1.313	7.4%	2003:4	1.313	7.4%
1993:1	0.978	4.7%	2004:1	1.428	3.8%	2004:1	1.428	3.8%	2004:1	1.428	3.8%
1993:2	0.991	0.1%	2004:2	1.659	24.5%	2004:2	1.659	24.5%	2004:2	1.659	24.5%
1993:3	0.969	-5.1%	2004:3	1.621	17.2%	2004:3	1.621	17.2%	2004:3	1.621	17.2%
1993:4	0.971	-4.1%	2004:4	1.679	27.9%	2004:4	1.679	27.9%	2004:4	1.679	27.9%
1994:1	0.926	-5.3%	2005:1	1.647	15.3%	2005:1	1.647	15.3%	2005:1	1.647	15.3%
1994:2	0.959	-3.2%	2005:2	1.883	13.5%	2005:2	1.883	13.5%	2005:2	1.883	13.5%
1994:3	1.027	5.9%	2005:3	2.189	35.1%	2005:3	2.189	35.1%	2005:3	2.189	35.1%
1994:4	1.015	4.6%	2005:4	2.069	23.3%	2005:4	2.069	23.3%	2005:4	2.069	23.3%
1995:1	0.978	5.6%	2006:1	2.000	21.4%	2006:1	2.000	21.4%	2006:1	2.000	21.4%
1995:2	1.033	7.6%	2006:2	2.438	29.5%	2006:2	2.438	29.5%	2006:2	2.438	29.5%
1995:3	1.015	-1.2%	2006:3	2.423	10.7%	2006:3	2.423	10.7%	2006:3	2.423	10.7%

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
1/00	199.3	2,685.3	2.7%	9,953.3	132,936.4	3.4%
2/00	195.2	2,689.0	2.7%	10,324.4	133,285.2	3.4%
3/00	227.8	2,696.0	2.6%	10,644.3	133,097.1	3.0%
4/00	223.2	2,698.2	2.6%	11,108.9	133,266.2	2.9%
5/00	237.6	2,705.0	2.8%	11,646.8	133,420.1	2.7%
6/00	238.3	2,707.3	2.5%	11,311.1	133,216.1	2.2%
7/00	240.3	2,704.5	2.5%	11,539.6	133,114.4	2.0%
8/00	242.9	2,705.9	2.3%	11,674.0	132,913.3	1.3%
9/00	222.6	2,704.2	2.1%	10,982.0	132,868.8	1.1%
10/00	231.8	2,702.4	1.7%	11,252.4	133,092.6	1.1%
11/00	218.4	2,698.9	1.1%	10,863.9	132,840.5	0.4%
12/00	214.2	2,691.6	0.4%	11,323.1	132,623.8	-0.1%
1/01	209.3	2,701.6	0.6%	10,422.2	133,092.7	0.1%
2/01	199.9	2,706.3	0.6%	10,207.4	132,975.7	-0.2%
3/01	231.5	2,710.0	0.5%	10,916.8	133,248.2	0.1%
4/01	231.4	2,718.2	0.7%	11,134.2	133,273.5	0.0%
5/01	244.3	2,724.9	0.7%	11,536.2	133,162.9	-0.2%
6/01	242.6	2,729.2	0.8%	11,705.6	133,557.4	0.3%
7/01	248.8	2,737.7	1.2%	11,691.1	133,708.9	0.4%
8/01	251.7	2,746.5	1.5%	11,894.2	133,929.1	0.8%
9/01	224.6	2,748.5	1.6%	10,978.4	133,925.5	0.8%
10/01	240.0	2,756.7	2.0%	11,281.5	133,954.6	0.6%
11/01	229.5	2,767.8	2.6%	11,093.0	134,183.7	1.0%
12/01	228.1	2,781.7	3.3%	11,360.1	134,220.7	1.2%
1/02	213.7	2,786.1	3.1%	10,751.1	134,549.6	1.1%
2/02	206.4	2,792.6	3.2%	10,230.3	134,572.5	1.2%
3/02	234.0	2,795.1	3.1%	11,265.8	134,921.5	1.3%
4/02	234.7	2,798.4	3.0%	11,469.3	135,256.6	1.5%
5/02	249.7	2,803.8	2.9%	12,062.9	135,783.3	2.0%
6/02	246.3	2,807.5	2.9%	11,669.3	135,747.0	1.6%
7/02	253.9	2,812.6	2.7%	12,083.0	136,138.9	1.8%
8/02	256.0	2,816.9	2.6%	12,189.1	136,433.8	1.9%
9/02	230.9	2,823.2	2.7%	11,501.3	136,956.7	2.3%
10/02	243.3	2,826.5	2.5%	11,653.4	137,328.6	2.5%
11/02	228.5	2,825.5	2.1%	11,407.2	137,642.8	2.6%
12/02	231.4	2,828.8	1.7%	11,454.3	137,737.0	2.6%
1/03	217.9	2,833.0	1.7%	11,126.9	138,112.8	2.6%
2/03	202.8	2,829.4	1.3%	10,064.7	137,947.2	2.5%
3/03	236.9	2,832.3	1.3%	11,273.6	137,955.0	2.2%
4/03	239.2	2,836.8	1.4%	11,396.9	137,882.6	1.9%
5/03	253.9	2,841.0	1.3%	12,040.2	137,859.9	1.5%
6/03	252.7	2,847.4	1.4%	11,929.4	138,120.0	1.7%

Source: U. S. Department of Transportation, Federal Highway Administration

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
7/03	262.0	2,855.5	1.5%	12,257.1	138,294.1	1.6%
8/03	260.4	2,859.9	1.5%	12,340.3	138,445.3	1.5%
9/03	237.0	2,866.0	1.5%	11,599.3	138,543.3	1.2%
10/03	254.3	2,877.0	1.8%	11,889.0	138,778.9	1.1%
11/03	234.3	2,882.8	2.0%	11,388.1	138,759.8	0.8%
12/03	239.5	2,890.9	2.2%	11,834.6	139,140.1	1.0%
1/04	221.7	2,894.7	2.2%	11,187.0	139,200.2	0.8%
2/04	213.2	2,905.1	2.7%	11,127.0	140,262.5	1.7%
3/04	251.6	2,919.8	3.1%	11,687.2	140,676.1	2.0%
4/04	251.2	2,931.8	3.3%	11,889.3	141,168.5	2.4%
5/04	256.6	2,934.5	3.3%	12,256.2	141,384.5	2.6%
6/04	257.4	2,939.2	3.2%	11,908.0	141,363.1	2.3%
7/04	265.7	2,942.9	3.1%	12,225.0	141,331.0	2.2%
8/04	262.5	2,945.0	3.0%	12,196.8	141,187.5	2.0%
9/04	242.6	2,950.6	3.0%	11,836.2	141,424.4	2.1%
10/04	253.7	2,950.0	2.5%	11,762.4	141,297.8	1.8%
11/04	240.3	2,956.0	2.5%	11,490.7	141,400.4	1.9%
12/04	246.0	2,962.5	2.5%	12,177.3	141,743.1	1.9%
1/05	222.0	2,962.8	2.4%	10,949.7	141,505.8	1.7%
2/05	218.1	2,967.7	2.2%	10,945.1	141,323.9	0.8%
3/05	251.3	2,967.4	1.6%	11,624.3	141,261.0	0.4%
4/05	248.7	2,964.9	1.1%	11,430.7	140,802.4	-0.3%
5/05	260.1	2,968.4	1.2%	12,015.4	140,561.6	-0.6%
6/05	262.0	2,973.0	1.1%	11,979.3	140,632.9	-0.5%
7/05	265.5	2,972.8	1.0%			
8/05	263.4	2,973.7	1.0%			
9/05	239.7	2,970.8	0.7%			
10/05	250.1	2,967.2	0.6%			
11/05	241.6	2,968.5	0.4%			
12/05	242.9	2,965.4	0.1%			
1/06	230.2	2,973.6	0.4%			
2/06	217.8	2,973.3	0.2%			
3/06	253.1	2,975.1	0.3%			
4/06	247.8	2,974.2	0.3%			
5/06	259.2	2,973.3	0.2%			
6/06	260.9	2,972.2	0.0%			
7/06	259.8	2,966.5	-0.2%			
8/06	261.7	2,964.8	-0.3%			

Source: U. S. Department of Transportation, Federal Highway Administration

COMPONENTS OF THE CPI INDEX
MONTHLY PERCENT CHANGES

Month	CPI-U:								
	CPI-U: All Items CUSAONS	CPI-U: Med. Care CUSAMNS	CPI-U: Phys. Serv. CUSEMC01NS	Hospital & Other Related Services CUSEMDNS	Weekly Income AWEEAP	CPI-U: Auto Bodywork CUSETD01NS	PPI: All Items WPINS	PPI: Metal/MPR WPI10NS	
1/2003	0.4%	0.4%	0.3%	0.9%	0.0%	-0.1%	1.8%	0.3%	
2/2003	0.8%	0.4%	0.4%	0.6%	0.2%	0.3%	1.7%	0.5%	
3/2003	0.6%	0.2%	0.0%	0.1%	0.3%	0.3%	2.6%	0.2%	
4/2003	-0.2%	0.1%	0.3%	0.0%	-0.7%	0.0%	-3.1%	-0.2%	
5/2003	-0.2%	0.3%	0.3%	0.1%	0.7%	0.0%	-0.1%	0.1%	
6/2003	0.1%	0.3%	-0.1%	0.7%	-0.1%	0.2%	1.0%	0.0%	
7/2003	0.1%	0.4%	0.3%	0.7%	0.2%	0.2%	-0.2%	0.1%	
8/2003	0.4%	0.3%	0.0%	0.8%	0.2%	0.1%	0.2%	0.5%	
9/2003	0.3%	0.3%	0.1%	0.4%	-0.1%	-0.1%	0.4%	0.4%	
10/2003	-0.1%	0.2%	0.3%	0.3%	0.4%	0.2%	0.6%	0.5%	
11/2003	-0.3%	0.3%	0.0%	1.2%	0.6%	0.1%	-0.3%	0.9%	
12/2003	-0.1%	0.4%	0.3%	0.3%	-0.6%	0.6%	0.4%	1.3%	
1/2004	0.5%	0.5%	0.5%	0.7%	0.5%	0.0%	1.4%	2.1%	
2/2004	0.5%	0.8%	1.3%	0.7%	0.6%	0.2%	0.5%	3.2%	
3/2004	0.6%	0.5%	0.8%	0.3%	-0.2%	0.4%	0.7%	2.6%	
4/2004	0.3%	0.3%	0.2%	0.0%	0.3%	0.4%	1.2%	1.8%	
5/2004	0.6%	0.2%	0.1%	0.2%	0.6%	0.5%	1.4%	0.3%	
6/2004	0.3%	0.3%	0.1%	0.6%	-0.5%	-0.1%	0.3%	0.2%	
7/2004	-0.2%	0.3%	0.1%	0.5%	0.5%	0.1%	0.1%	2.7%	
8/2004	0.1%	0.2%	0.5%	-0.1%	0.4%	0.2%	0.4%	1.8%	
9/2004	0.2%	0.2%	0.1%	0.4%	0.5%	0.6%	-0.2%	0.5%	
10/2004	0.5%	0.3%	0.2%	0.5%	-0.2%	0.3%	1.6%	1.6%	
11/2004	0.1%	0.3%	0.1%	0.6%	0.1%	0.0%	0.9%	1.0%	
12/2004	-0.4%	0.3%	0.0%	0.7%	0.5%	-0.1%	-0.8%	0.3%	
1/2005	0.2%	0.6%	0.4%	0.7%	0.0%	-0.1%	0.5%	0.7%	
2/2005	0.6%	0.8%	1.1%	0.9%	0.2%	0.1%	0.5%	0.2%	
3/2005	0.8%	0.4%	0.2%	0.6%	0.3%	0.3%	1.4%	-0.1%	
4/2005	0.7%	0.2%	0.3%	0.0%	0.6%	0.7%	0.8%	0.4%	
5/2005	-0.1%	0.2%	0.3%	0.0%	-0.1%	0.5%	-0.5%	-1.1%	
6/2005	0.1%	0.2%	0.0%	0.1%	0.2%	0.3%	0.0%	-1.1%	
7/2005	0.5%	0.4%	0.2%	0.7%	0.7%	0.4%	1.3%	-0.1%	
8/2005	0.5%	-0.1%	0.1%	-0.3%	-0.2%	0.3%	0.8%	0.6%	
9/2005	1.2%	0.2%	0.1%	0.0%	0.5%	1.1%	2.9%	1.7%	
10/2005	0.2%	0.5%	0.1%	0.9%	0.6%	0.2%	2.5%	0.5%	
11/2005	-0.8%	0.6%	0.0%	1.4%	0.0%	0.3%	-1.5%	1.9%	
12/2005	-0.4%	0.1%	0.1%	0.0%	0.4%	0.5%	-0.4%	1.0%	
1/2006	0.8%	0.3%	-0.3%	0.9%	0.3%	0.2%	0.8%	1.1%	
2/2006	0.2%	0.8%	0.5%	1.5%	0.4%	0.9%	-1.5%	1.4%	
3/2006	0.6%	0.5%	0.6%	0.6%	0.2%	0.2%	0.2%	0.6%	
4/2006	0.9%	0.3%	0.0%	0.3%	0.9%	-0.4%	1.3%	2.8%	
5/2006	0.5%	0.3%	0.1%	0.3%	-0.2%	0.4%	0.9%	4.1%	
6/2006	0.2%	0.1%	0.0%	0.3%	0.7%	0.4%	0.2%	0.4%	
7/2006	0.3%	0.3%	0.1%	0.4%	0.4%	0.4%	0.6%	1.0%	
8/2006	0.2%	0.2%	0.1%	0.4%	0.0%	0.3%	0.5%	0.1%	
9/2006	-0.5%	0.2%	0.0%	0.2%	0.2%	0.4%	-1.5%	0.4%	

COMPONENTS OF THE CPI INDEX
ANNUAL PERCENT CHANGES

Year	CPI-U:	CPI-U:	CPI-U:	CPI-U:		CPI-U:	PPI:	PPI:
	All Items	Med. Care	Phys. Serv.	Hospital & Other	Weekly	Auto Bodywork	All Items	Metal/MPR
	<u>CUSA0NS</u>	<u>CUSAMNS</u>	<u>CUSEMC01NS</u>	<u>CUSEMDNS</u>	<u>AWEEAP</u>	<u>CUSETD01NS</u>	<u>WPINS</u>	<u>WPI10NS</u>
1/2003	2.6%	4.6%	2.7%	9.2%	3.1%	1.8%	5.3%	3.2%
2/2003	3.0%	4.5%	3.1%	8.9%	3.1%	2.2%	7.2%	3.5%
3/2003	3.0%	4.3%	3.0%	8.2%	2.9%	2.2%	8.8%	3.2%
4/2003	2.2%	4.0%	3.3%	7.3%	2.1%	2.2%	4.6%	2.6%
5/2003	2.1%	4.0%	3.4%	6.7%	2.4%	2.2%	4.5%	2.1%
6/2003	2.1%	4.1%	3.1%	7.3%	2.0%	1.8%	5.4%	1.5%
7/2003	2.1%	3.8%	2.3%	7.4%	2.3%	1.4%	5.0%	1.3%
8/2003	2.2%	3.9%	2.4%	7.2%	1.8%	1.3%	4.9%	1.9%
9/2003	2.3%	4.0%	2.6%	7.0%	1.5%	1.0%	4.7%	1.9%
10/2003	2.0%	3.7%	2.3%	6.4%	1.8%	1.2%	4.6%	2.5%
11/2003	1.8%	3.5%	2.0%	6.5%	2.1%	1.0%	4.4%	3.2%
12/2003	1.9%	3.7%	2.3%	6.4%	1.1%	1.9%	5.0%	4.6%
1/2004	1.9%	3.8%	2.5%	6.2%	1.6%	2.0%	4.5%	6.5%
2/2004	1.7%	4.2%	3.4%	6.3%	1.9%	1.8%	3.3%	9.3%
3/2004	1.7%	4.5%	4.2%	6.5%	1.5%	1.9%	1.3%	12.0%
4/2004	2.3%	4.7%	4.2%	6.4%	2.4%	2.4%	5.8%	14.3%
5/2004	3.1%	4.6%	3.9%	6.6%	2.3%	2.8%	7.4%	14.6%
6/2004	3.3%	4.6%	4.1%	6.4%	2.0%	2.5%	6.7%	14.8%
7/2004	3.0%	4.5%	3.9%	6.2%	2.3%	2.4%	7.0%	17.8%
8/2004	2.7%	4.4%	4.4%	5.2%	2.4%	2.6%	7.2%	19.4%
9/2004	2.5%	4.4%	4.4%	5.2%	3.0%	3.3%	6.6%	19.5%
10/2004	3.2%	4.5%	4.3%	5.4%	2.5%	3.5%	7.7%	20.7%
11/2004	3.5%	4.4%	4.3%	4.8%	2.0%	3.4%	9.0%	20.7%
12/2004	3.3%	4.2%	4.0%	5.2%	3.1%	2.7%	7.7%	19.5%
1/2005	3.0%	4.3%	3.9%	5.2%	2.6%	2.5%	6.7%	17.8%
2/2005	3.0%	4.3%	3.7%	5.4%	2.2%	2.4%	6.7%	14.5%
3/2005	3.1%	4.3%	3.1%	5.7%	2.6%	2.3%	7.4%	11.5%
4/2005	3.5%	4.3%	3.3%	5.7%	3.0%	2.6%	7.0%	10.0%
5/2005	2.8%	4.3%	3.5%	5.5%	2.3%	2.6%	5.1%	8.4%
6/2005	2.5%	4.2%	3.4%	5.0%	3.0%	3.1%	4.8%	7.0%
7/2005	3.2%	4.2%	3.6%	5.2%	3.2%	3.4%	6.0%	4.0%
8/2005	3.6%	3.9%	3.1%	5.0%	2.7%	3.4%	6.5%	2.9%
9/2005	4.7%	3.9%	3.1%	4.6%	2.7%	4.0%	9.8%	4.1%
10/2005	4.3%	4.1%	3.0%	5.0%	3.4%	3.8%	10.8%	3.1%
11/2005	3.5%	4.5%	3.0%	5.8%	3.3%	4.0%	8.1%	4.0%
12/2005	3.4%	4.3%	3.1%	5.1%	3.2%	4.8%	8.5%	4.8%
1/2006	4.0%	4.0%	2.3%	5.2%	3.6%	5.1%	8.9%	5.3%
2/2006	3.6%	4.0%	1.6%	5.9%	3.8%	6.0%	6.7%	6.5%
3/2006	3.4%	4.1%	1.9%	5.9%	3.8%	5.8%	5.5%	7.2%
4/2006	3.5%	4.1%	1.6%	6.3%	4.1%	4.7%	6.0%	9.8%
5/2006	4.2%	4.2%	1.4%	6.6%	4.0%	4.5%	7.5%	15.6%
6/2006	4.3%	4.1%	1.4%	6.8%	4.5%	4.6%	7.6%	17.3%
7/2006	4.1%	4.0%	1.3%	6.4%	4.1%	4.6%	6.9%	18.6%
8/2006	3.8%	4.3%	1.4%	7.2%	4.3%	4.5%	6.5%	18.0%
9/2006	2.1%	4.2%	1.2%	7.3%	4.1%	3.8%	2.0%	16.4%

CPI ALL ITEMS (URBAN) - LESS ENERGY

CUSAOLENS

<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1984:4	0.973	-2.7%	1995:4	0.967	-4.8%
1985:1	0.941	-3.6%	1996:1	0.990	1.3%
1985:2	1.003	1.2%	1996:2	1.108	7.3%
1985:3	1.008	3.7%	1996:3	1.069	5.3%
1985:4	0.992	2.0%	1996:4	1.067	10.4%
1986:1	0.908	-3.5%	1997:1	1.070	8.1%
1986:2	0.763	-24.0%	1997:2	1.053	-5.0%
1986:3	0.718	-28.7%	1997:3	1.067	-0.2%
1986:4	0.690	-30.4%	1997:4	1.040	-2.6%
1987:1	0.750	-17.4%	1998:1	0.937	-12.5%
1987:2	0.794	4.0%	1998:2	0.932	-11.5%
1987:3	0.835	16.2%	1998:3	0.913	-14.5%
1987:4	0.827	19.7%	1998:4	0.884	-15.0%
1988:1	0.783	4.4%	1999:1	0.845	-9.8%
1988:2	0.806	1.6%	1998:2	0.999	7.2%
1988:3	0.832	-0.3%	1999:3	1.063	16.4%
1988:4	0.811	-1.9%	1999:4	1.099	24.3%
1989:1	0.803	2.5%	2000:1	1.200	42.1%
1989:2	0.950	17.9%	2000:2	1.313	31.4%
1989:3	0.915	10.0%	2000:3	1.325	24.7%
1989:4	0.871	7.4%	2000:4	1.305	18.8%
1990:1	0.900	12.1%	2001:1	1.253	4.4%
1990:2	0.927	-2.5%	2001:2	1.400	6.7%
1990:3	1.031	12.7%	2001:3	1.256	-5.2%
1990:4	1.182	35.7%	2001:4	1.049	-19.6%
1991:1	1.005	11.7%	2002:1	1.006	-19.7%
1991:2	0.989	6.7%	2002:2	1.204	-14.0%
1991:3	0.991	-3.9%	2002:3	1.208	-3.8%
1991:4	0.985	-16.7%	2002:4	1.223	16.5%
1992:1	0.934	-7.1%	2003:1	1.376	36.7%
1992:2	0.991	0.2%	2003:2	1.333	-10.8%
1992:3	1.022	3.1%	2003:3	1.383	14.5%
1992:4	1.013	2.8%	2003:4	1.313	7.4%
1993:1	0.978	4.7%	2004:1	1.428	3.8%
1993:2	0.991	0.1%	2004:2	1.659	24.5%
1993:3	0.969	-5.1%	2004:3	1.621	17.2%
1993:4	0.971	-4.1%	2004:4	1.679	27.9%
1994:1	0.926	-5.3%	2005:1	1.647	15.3%
1994:2	0.959	-3.2%	2005:2	1.883	13.5%
1994:3	1.027	5.9%	2005:3	2.189	35.1%
1994:4	1.015	4.6%	2005:4	2.069	23.3%
1995:1	0.978	5.6%	2006:1	2.000	21.4%
1995:2	1.033	7.6%	2006:2	2.438	29.5%
1995:3	1.015	-1.2%	2006:3	2.423	10.7%

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
FOR 2007 BASE
CALCULATION OF MODEL YEAR RELATIVITY
BEFORE OCTOBER 1, 2007

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2007	0.065	1.000	0.069	1.000
2006	0.091	0.950	0.096	0.950
2005	0.090	0.900	0.096	0.900
2004	0.091	0.850	0.097	0.850
2003	0.089	0.800	0.095	0.790
2002	0.095	0.750	0.100	0.720
2001	0.086	0.690	0.089	0.660
2000	0.073	0.640	0.074	0.600
1999	0.066	0.590	0.066	0.540
1998 & PRIOR	0.254	0.540	0.218	0.490
(1) Average		0.734		0.722

AFTER OCTOBER 1, 2007 (INTRODUCTION OF 2008 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2008	0.065	1.050	0.069	1.050
2007	0.091	1.000	0.096	1.000
2006	0.090	0.950	0.096	0.950
2005	0.091	0.900	0.097	0.900
2004	0.089	0.850	0.095	0.850
2003	0.095	0.800	0.100	0.790
2002	0.086	0.750	0.089	0.720
2001	0.073	0.690	0.074	0.660
2000	0.066	0.640	0.066	0.600
1999	0.052	0.590	0.050	0.540
1998 & PRIOR	0.202	0.540	0.168	0.490
(2) Average		0.775		0.769

AFTER OCTOBER 1, 2008 (INTRODUCTION OF 2009 MODEL)

Automobile Model Year	Comprehensive		Collision	
	Exposure Distribution	Model Year Relativity	Exposure Distribution	Model Year Relativity
2009	0.065	1.103	0.069	1.103
2008	0.091	1.050	0.096	1.050
2007	0.090	1.000	0.096	1.000
2006	0.091	0.950	0.097	0.950
2005	0.089	0.900	0.095	0.900
2004	0.095	0.850	0.100	0.850
2003	0.086	0.800	0.089	0.790
2002	0.073	0.750	0.074	0.720
2001	0.066	0.690	0.066	0.660
2000	0.052	0.640	0.050	0.600
1999	0.050	0.590	0.047	0.540
1998 & PRIOR	0.152	0.540	0.121	0.490
(3) Average		0.818		0.817

(4) Number of months from effective date to 10/1/2008: 12

(5) Average relativity based on an effective date of 10/1/2007:

Comp: $(0.775 \times (4) + 0.818 \times (12 - (4))) / 12 = 0.775$

Coll: $(0.769 \times (4) + 0.817 \times (12 - (4))) / 12 = 0.769$

(6) Model year trend factor:

Comp: $(5) / 0.734 = 1.056$

Coll: $(5) / 0.722 = 1.065$

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SYMBOL TREND

COMPREHENSIVE(a)

Year Ended	Full Coverage		\$50 Deductible		\$100 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/02	710,353	1.645	107,159	1.794	483,374	1.924	175,154	2.064	146,513	2.229	11,979	2.670
12/31/02	704,180	1.675	106,221	1.815	483,248	1.941	178,806	2.080	152,899	2.246	13,436	2.656
6/30/03	702,513	1.696	111,617	1.824	517,220	1.944	220,002	2.059	211,911	2.208	19,525	2.589
12/31/03	683,051	1.718	105,171	1.838	507,535	1.959	223,043	2.074	224,900	2.226	22,148	2.575
6/30/04	666,236	1.740	99,837	1.862	501,977	1.977	227,663	2.090	240,176	2.243	24,638	2.565
12/31/04	675,329	1.763	101,402	1.885	518,844	1.995	237,805	2.112	256,933	2.271	27,943	2.605
6/30/05	683,857	1.787	102,149	1.900	533,083	2.011	247,533	2.132	278,251	2.291	31,831	2.624
12/31/05	682,739	1.805	100,136	1.916	538,703	2.021	255,865	2.142	303,677	2.298	36,162	2.616

Average Annual Rate of Change:

8 points *	2.7%	1.9%	1.5%	1.1%	1.0%	-0.4%
6 points *	2.6%	2.1%	1.6%	1.7%	1.7%	0.7%
2 year	2.5%	2.1%	1.6%	1.6%	1.6%	0.8%
1 year	2.4%	1.6%	1.3%	1.4%	1.2%	0.4%

Correlation Coefficients:

8 points *	1.00	1.00	0.99	0.92	0.83	-0.39
6 points *	1.00	1.00	1.00	1.00	0.99	0.74

* Based on exponential curve of best fit.

(a) Voluntary business only.

NOR1 CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SYMBOL TREND

COLLISION(a)

Year Ended	\$50 Deductible		\$100 Deductible		\$200 Deductible		\$250 Deductible		\$500 Deductible		\$1000 Deductible	
	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR	WRITTEN EXPOSURES	SYMBOL FACTOR
6/30/02	6,188	1.070	186,055	1.098	31,918	1.250	742,935	1.257	518,942	1.382	30,282	1.513
12/31/02	6,110	1.087	181,123	1.109	30,960	1.260	737,339	1.266	531,119	1.390	33,131	1.519
6/30/03	7,072	1.111	183,228	1.122	37,097	1.263	770,484	1.271	618,764	1.390	42,230	1.513
12/31/03	7,074	1.129	174,664	1.133	35,724	1.271	753,110	1.279	626,100	1.398	46,512	1.517
6/30/04	7,269	1.151	167,389	1.143	34,770	1.282	740,240	1.285	639,881	1.403	50,650	1.519
12/31/04	7,509	1.168	166,358	1.151	34,414	1.291	752,998	1.290	675,797	1.411	56,200	1.530
6/30/05	7,723	1.184	164,210	1.160	33,984	1.294	763,029	1.294	713,767	1.417	62,044	1.534
12/31/05	7,862	1.201	159,991	1.166	33,327	1.299	761,486	1.296	747,941	1.419	68,062	1.531

Average Annual Rate of Change:

8 points *	3.4%	1.8%	1.1%	0.9%	0.8%	0.4%
6 points *	3.2%	1.6%	1.2%	0.8%	0.9%	0.6%
2 year	3.1%	1.4%	1.1%	0.7%	0.7%	0.5%
1 year	2.8%	1.3%	0.6%	0.5%	0.6%	0.1%

Correlation Coefficients:

8 points *	1.00	0.99	0.99	0.99	0.99	0.88
6 points *	1.00	1.00	0.98	0.98	0.99	0.93

* Based on exponential curve of best fit.

(a) Voluntary business only.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					428,685,804
1993				459,352,242	459,179,969
1994			496,119,137	499,778,973	497,362,994
1995		499,805,208	508,281,001	510,695,093	507,711,940
1996	484,666,683	507,084,121	507,244,864	507,972,820	508,379,926
1997	499,433,785	506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	506,516,812
2002	502,055,673	533,149,260	548,869,443	557,723,529	
2003	515,817,257	559,094,357	578,617,400		
2004	539,624,419	573,780,470			
2005	534,184,208				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.007	0.995
1995		1.017	1.005	0.994
1996	1.046	1.000	1.001	1.001
1997	1.014	1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	1.003
2002	1.062	1.029	1.016	
2003	1.084	1.035		
2004	1.063			

Five Year Average	1.061	1.025	1.013	1.004
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Three Year Average (b)	1.055	1.029	1.015	1.004
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	Five Year	Three Year
39 to 63 months:	1.017	1.019
27 to 63 months:	1.042	1.049
15 to 63 months:	1.106	1.107

(a) Losses are on a 30/60 level for 2002-2005.

Losses are on a 25/50 level for 1992-2001.

(b) The 15-27 month three year average is for 2001, 2002 and 2004.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					250,587,858
1993				290,526,361	290,374,126
1994			341,881,402	342,544,827	342,489,519
1995		385,156,651	386,974,758	387,215,933	387,183,990
1996	429,257,284	434,360,545	434,632,796	434,999,549	434,974,174
1997	437,020,628	440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	502,958,797
2002	521,387,936	529,534,675	531,145,335	532,186,698	
2003	537,475,817	547,204,102	549,683,599		
2004	540,779,130	552,344,575			
2005	560,372,482				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.002	1.000
1995		1.005	1.001	1.000
1996	1.012	1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	
2003	1.018	1.005		
2004	1.021			
Five Year Average	1.018	1.002	1.001	1.000
Three Year Average	1.018	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.003	1.004	
15 to 63 months:		1.021	1.022	

(a) Losses are on a \$25,000 level for 2002-2005.
Losses are on a \$15,000 level for 1992-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					27,282,648
1993				27,493,511	26,708,512
1994			28,635,394	28,457,306	27,736,873
1995		31,438,778	31,438,075	31,439,072	31,176,700
1996	30,498,644	32,393,057	32,492,388	32,306,324	31,794,036
1997	33,248,776	35,255,333	35,901,298	36,875,978	36,519,975
1998	31,585,724	34,066,749	34,181,670	33,882,419	33,680,968
1999	29,239,280	32,978,345	33,190,330	33,444,514	33,492,209
2000	31,236,093	32,637,501	33,073,301	33,677,305	33,379,655
2001	31,401,868	33,755,318	35,021,950	35,507,827	35,426,244
2002	32,704,663	37,596,181	39,565,990	39,583,086	
2003	35,307,464	39,489,354	40,993,396		
2004	34,894,192	37,454,484			
2005	35,135,790				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.971
1994			0.994	0.975
1995		1.000	1.000	0.992
1996	1.062	1.003	0.994	0.984
1997	1.060	1.018	1.027	0.990
1998	1.079	1.003	0.991	0.994
1999	1.128	1.006	1.008	1.001
2000	1.045	1.013	1.018	0.991
2001	1.075	1.038	1.014	0.998
2002	1.150	1.052	1.000	
2003	1.118	1.038		
2004	1.073			
Five Year Average	1.092	1.029	1.006	0.995
Three Year Average	1.114	1.043	1.011	0.997

	Five Year	Three Year
39 to 63 months:	1.001	1.008
27 to 63 months:	1.030	1.051
15 to 63 months:	1.125	1.171

(a) Losses are on a \$25,000 level for 2002-2005.
 Losses are on a \$15,000 level for 1992-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					
1993					
1994					
1995					
1996				10,190,734	10,047,584
1997			10,938,146	10,658,220	10,566,331
1998		11,271,321	10,965,606	10,864,638	10,831,683
1999	12,485,180	11,385,922	11,252,921	11,143,920	11,257,504
2000	12,175,598	11,758,667	11,563,960	11,413,456	11,324,557
2001	11,522,357	11,260,876	11,051,061	10,921,388	10,833,455
2002	12,734,308	11,995,876	11,782,745	11,588,557	
2003	12,929,486	12,177,961	11,919,457		
2004	11,802,989	11,227,531			
2005	12,302,623				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				
1994				
1995				
1996				0.986
1997			0.974	0.991
1998		0.973	0.991	0.997
1999	0.912	0.988	0.990	1.010
2000	0.966	0.983	0.987	0.992
2001	0.977	0.981	0.988	0.992
2002	0.942	0.982	0.984	
2003	0.942	0.979		
2004	0.951			
Five Year Average	0.956	0.983	0.988	0.996
Three Year Average	0.945	0.981	0.986	0.998
		Five Year	Three Year	
39 to 63 months:		0.984	0.984	
27 to 63 months:		0.967	0.965	
15 to 63 months:		0.924	0.912	

(a) Losses are on a \$25,000 level for 2002-2005.
Losses are on a \$15,000 level for 1996-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					521,907,273
1993				552,138,819	548,063,931
1994			588,774,887	590,820,124	587,515,438
1995		588,888,002	602,956,881	608,845,680	604,190,862
1996	553,644,769	595,465,814	606,937,587	607,877,793	607,527,453
1997	561,266,762	591,973,459	600,807,278	607,377,686	609,373,618
1998	535,782,655	571,090,594	585,827,205	594,262,071	595,538,970
1999	547,858,022	584,450,486	607,315,095	616,343,115	618,962,876
2000	528,771,428	584,171,819	607,343,649	619,331,394	621,691,752
2001	540,606,810	590,573,084	615,270,128	627,427,574	627,806,583
2002	568,917,216	626,297,432	650,597,403	662,372,926	
2003	590,218,744	662,896,265	695,233,004		
2004	629,424,611	687,246,213			
2005	622,795,154				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.993
1994			1.003	0.994
1995		1.024	1.010	0.992
1996	1.076	1.019	1.002	0.999
1997	1.055	1.015	1.011	1.003
1998	1.066	1.026	1.014	1.002
1999	1.067	1.039	1.015	1.004
2000	1.105	1.040	1.020	1.004
2001	1.092	1.042	1.020	1.001
2002	1.101	1.039	1.018	
2003	1.123	1.049		
2004	1.092			
Five Year Average	1.103	1.042	1.017	1.003
Three Year Average (a)	1.095	1.043	1.019	1.003
		Five Year	Three Year	
39 to 63 months:		1.020	1.022	
27 to 63 months:		1.063	1.066	
15 to 63 months:		1.172	1.167	

(a) The 15-27 month three year average is for 2001, 2002 and 2004.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					266,335,799
1993				297,959,120	297,635,265
1994			346,367,649	346,354,513	346,114,290
1995		392,459,681	392,719,031	392,780,992	392,734,006
1996	440,351,973	441,454,775	442,330,336	442,801,982	442,611,518
1997	445,134,254	449,027,076	450,122,589	450,323,753	450,139,184
1998	459,158,210	462,733,971	463,368,820	463,408,859	463,353,715
1999	491,215,772	495,074,602	496,620,194	496,760,747	496,603,613
2000	512,061,856	522,380,676	520,124,759	520,292,907	520,234,996
2001	509,607,662	516,507,961	517,508,923	517,801,842	517,592,358
2002	523,908,951	532,151,212	533,775,479	534,777,466	
2003	542,796,004	551,748,287	553,314,103		
2004	545,709,696				
2005	564,664,269				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.000	0.999
1995		1.001	1.000	1.000
1996	1.003	1.002	1.001	1.000
1997	1.009	1.002	1.000	1.000
1998	1.008	1.001	1.000	1.000
1999	1.008	1.003	1.000	1.000
2000	1.020	0.996	1.000	1.000
2001	1.014	1.002	1.001	1.000
2002	1.016	1.003	1.002	
2003	1.016	1.003		
2004	1.019			
Five Year Average	1.017	1.001	1.001	1.000
Three Year Average	1.017	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.002	1.004	
15 to 63 months:		1.019	1.021	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					71,812,761
1993				75,142,975	75,141,528
1994			78,792,900	79,141,305	79,248,603
1995		81,871,581	82,590,616	83,077,081	83,224,393
1996	78,004,666	81,079,429	81,935,144	82,511,325	82,792,510
1997	76,476,955	79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	84,208,944
2002	84,407,330	89,375,713	90,811,468	91,440,492	
2003	85,399,350	91,379,102	91,931,978		
2004	85,271,787	89,295,154			
2005	84,730,224				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.004	1.001
1995		1.009	1.006	1.002
1996	1.039	1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	
2003	1.070	1.006		
2004	1.047			
Five Year Average	1.058	1.015	1.008	1.003
Three Year Average	1.059	1.014	1.007	1.004
		Five Year	Three Year	
39 to 63 months:		1.011	1.011	
27 to 63 months:		1.026	1.025	
15 to 63 months:		1.086	1.085	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					42,865,240
1993				36,781,747	35,559,090
1994			36,110,160	34,833,162	33,870,375
1995		39,508,962	40,854,300	40,454,519	40,244,972
1996	34,909,762	41,632,388	42,233,897	42,138,160	41,897,880
1997	37,442,193	41,476,944	43,089,067	45,023,830	45,597,964
1998	34,730,646	39,335,195	40,232,839	40,165,311	39,676,840
1999	33,844,288	39,401,625	40,895,619	41,968,526	42,065,404
2000	34,492,399	39,823,570	40,854,460	42,011,925	41,324,158
2001	38,089,800	42,975,232	45,262,195	46,148,079	46,341,896
2002	38,918,375	47,611,602	50,400,213	50,208,191	
2003	42,683,852	48,534,844	50,786,129		
2004	44,012,059	48,971,187			
2005	43,302,325				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.967
1994			0.965	0.972
1995		1.034	0.990	0.995
1996	1.193	1.014	0.998	0.994
1997	1.108	1.039	1.045	1.013
1998	1.133	1.023	0.998	0.988
1999	1.164	1.038	1.026	1.002
2000	1.155	1.026	1.028	0.984
2001	1.128	1.053	1.020	1.004
2002	1.223	1.059	0.996	
2003	1.137	1.046		
2004	1.113			
Five Year Average	1.151	1.044	1.014	0.998
Three Year Average	1.158	1.053	1.015	0.997
		Five Year	Three Year	
39 to 63 months:		1.012	1.012	
27 to 63 months:		1.057	1.066	
15 to 63 months:		1.217	1.234	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					
1993					
1994					
1995					
1996				10,203,061	10,076,383
1997			11,008,017	10,743,091	10,651,143
1998		11,394,293	11,114,149	11,012,708	10,944,152
1999	12,646,423	11,537,251	11,423,295	11,369,299	11,482,883
2000	12,388,721	12,006,427	11,819,962	11,638,277	11,537,925
2001	11,822,624	11,591,092	11,354,463	11,189,105	11,098,552
2002	12,833,292	12,129,687	11,933,562	11,679,374	
2003	12,994,158	12,324,915	12,034,219		
2004	12,196,649	11,581,589			
2005	12,810,536				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				
1994				
1995				
1996				0.988
1997			0.976	0.991
1998		0.975	0.991	0.994
1999	0.912	0.990	0.995	1.010
2000	0.969	0.984	0.985	0.991
2001	0.980	0.980	0.985	0.992
2002	0.945	0.984	0.979	
2003	0.948	0.976		
2004	0.950			
Five Year Average	0.958	0.983	0.987	0.996
Three Year Average	0.948	0.980	0.983	0.998

	Five Year	Three Year
39 to 63 months:	0.983	0.981
27 to 63 months:	0.966	0.961
15 to 63 months:	0.925	0.911

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Underinsured Motorists Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					42,130,266
1993				43,421,909	44,164,098
1994			40,106,051	42,577,301	41,679,804
1995		32,665,755	37,157,691	38,600,050	39,545,528
1996	21,297,526	34,639,477	41,906,510	45,507,696	45,933,358
1997	20,039,109	31,228,556	36,908,717	39,911,030	40,453,064
1998	19,555,007	30,462,809	36,458,420	40,879,625	42,204,871
1999	22,430,098	34,418,359	40,993,481	44,827,131	45,514,430
2000	24,055,149	36,995,866	44,712,621	47,905,237	48,554,944
2001	24,421,662	37,415,497	46,420,538	51,011,821	51,502,208
2002	23,147,591	39,559,551	49,215,193	52,127,755	
2003	24,095,268	44,137,295	49,768,667		
2004	33,532,085	53,425,768			
2005	32,329,148				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.017
1994			1.062	0.979
1995		1.138	1.039	1.024
1996	1.626	1.210	1.086	1.009
1997	1.558	1.182	1.081	1.014
1998	1.558	1.197	1.121	1.032
1999	1.534	1.191	1.094	1.015
2000	1.538	1.209	1.071	1.014
2001	1.532	1.241	1.099	1.010
2002	1.709	1.244	1.059	
2003	1.832	1.128		
2004	1.593			
Five Year Average	1.641	1.203	1.089	1.017
Three Year Average	1.711	1.204	1.076	1.013
		Five Year	Three Year	
39 to 63 months:		1.108	1.090	
27 to 63 months:		1.333	1.312	
15 to 63 months:		2.187	2.245	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					67,312
1993				72,624	72,128
1994			84,589	84,346	83,857
1995		91,352	90,615	90,309	89,961
1996	96,404	94,473	94,022	93,916	93,519
1997	96,535	94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	87,694
2002	96,845	93,413	92,563	92,015	
2003	98,407	94,411	93,472		
2004	98,867	95,352			
2005	96,834				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.993
1994			0.997	0.994
1995		0.992	0.997	0.996
1996	0.980	0.995	0.999	0.996
1997	0.976	0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	0.995
2002	0.965	0.991	0.994	
2003	0.959	0.990		
2004	0.964			
Five Year Average	0.966	0.992	0.995	0.996
Three Year Average	0.963	0.991	0.995	0.996
		Five Year	Three Year	
39 to 63 months:		0.991	0.991	
27 to 63 months:		0.983	0.982	
15 to 63 months:		0.950	0.946	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					155,534
1993				167,625	167,569
1994			191,119	191,123	191,119
1995		203,290	203,409	203,482	203,511
1996	213,802	214,611	215,087	215,218	215,208
1997	213,462	215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	222,788
2002	225,129	226,768	227,050	227,280	
2003	235,482	236,947	237,345		
2004	239,528	241,668			
2005	242,482				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.000	1.000
1995		1.001	1.000	1.000
1996	1.004	1.002	1.001	1.000
1997	1.007	1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	0.999
2002	1.007	1.001	1.001	
2003	1.006	1.002		
2004	1.009			
Five Year Average	1.009	0.999	1.000	1.000
Three Year Average	1.007	1.001	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		0.999	1.001	
15 to 63 months:		1.008	1.008	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					57,389
1993				60,423	60,391
1994			66,510	66,604	66,592
1995		68,541	68,876	69,056	69,057
1996	66,485	68,189	68,540	68,706	68,723
1997	64,007	65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	59,579
2002	60,999	61,948	62,273	62,406	
2003	59,036	60,027	60,458		
2004	56,892	57,641			
2005	56,522				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.001	1.000
1995		1.005	1.003	1.000
1996	1.026	1.005	1.002	1.000
1997	1.029	1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	1.000
2002	1.016	1.005	1.002	
2003	1.017	1.007		
2004	1.013			
Five Year Average	1.017	1.006	1.003	1.000
Three Year Average	1.015	1.006	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.009	1.009	
15 to 63 months:		1.026	1.024	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Bodily Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					3,483
1993				3,918	3,856
1994			4,726	4,727	4,677
1995		5,296	5,273	5,296	5,244
1996	5,824	5,928	5,939	5,923	5,921
1997	6,466	6,526	6,527	6,543	6,508
1998	6,308	6,296	6,277	6,261	6,245
1999	5,790	6,012	6,033	6,040	6,016
2000	6,050	6,100	6,127	6,114	6,082
2001	6,123	6,048	6,072	6,028	5,989
2002	6,506	6,480	6,498	6,426	
2003	6,583	6,533	6,544		
2004	6,254	6,110			
2005	6,348				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.984
1994			1.000	0.989
1995		0.996	1.004	0.990
1996	1.018	1.002	0.997	1.000
1997	1.009	1.000	1.002	0.995
1998	0.998	0.997	0.997	0.997
1999	1.038	1.003	1.001	0.996
2000	1.008	1.004	0.998	0.995
2001	0.988	1.004	0.993	0.994
2002	0.996	1.003	0.989	
2003	0.992	1.002		
2004	0.977			
Five Year Average	0.992	1.003	0.996	0.995
Three Year Average	0.988	1.003	0.993	0.995
		Five Year	Three Year	
39 to 63 months:		0.991	0.988	
27 to 63 months:		0.994	0.991	
15 to 63 months:		0.986	0.979	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Uninsured Motorists Property Damage Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					
1993					
1994					
1995					
1996				8,561	8,591
1997			9,348	9,351	9,364
1998		9,621	9,615	9,616	9,645
1999	9,870	9,909	9,954	10,039	10,063
2000	9,827	9,910	9,992	10,061	10,067
2001	9,343	9,517	9,627	9,684	9,673
2002	9,342	9,463	9,493	9,481	
2003	9,339	9,354	9,314		
2004	9,078	9,071			
2005	9,203				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				
1994				
1995				
1996				1.004
1997			1.000	1.001
1998		0.999	1.000	1.003
1999	1.004	1.005	1.009	1.002
2000	1.008	1.008	1.007	1.001
2001	1.019	1.012	1.006	0.999
2002	1.013	1.003	0.999	
2003	1.002	0.996		
2004	0.999			
Five Year Average				
	1.008	1.005	1.004	1.001
Three Year Average				
	1.005	1.004	1.004	1.001
Five Year Three Year				
39 to 63 months:		1.005	1.005	
27 to 63 months:		1.010	1.009	
15 to 63 months:		1.018	1.014	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Underinsured Motorists Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					879
1993				1,167	1,129
1994			1,278	1,322	1,262
1995		1,064	1,174	1,207	1,157
1996	797	1,107	1,266	1,326	1,253
1997	729	1,061	1,213	1,263	1,203
1998	773	1,072	1,215	1,282	1,187
1999	967	1,191	1,357	1,446	1,366
2000	807	1,188	1,322	1,368	1,325
2001	708	1,063	1,243	1,332	1,245
2002	696	1,087	1,311	1,308	
2003	721	1,107	1,260		
2004	943	1,356			
2005	837				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.967
1994			1.034	0.955
1995		1.103	1.028	0.959
1996	1.389	1.144	1.047	0.945
1997	1.455	1.143	1.041	0.952
1998	1.387	1.133	1.055	0.926
1999	1.232	1.139	1.066	0.945
2000	1.472	1.113	1.035	0.969
2001	1.501	1.169	1.072	0.935
2002	1.562	1.206	0.998	
2003	1.535	1.138		
2004	1.438			
Five Year Average	1.502	1.153	1.045	0.945
Three Year Average	1.512	1.171	1.035	0.950
		Five Year	Three Year	
39 to 63 months:		0.988	0.983	
27 to 63 months:		1.139	1.151	
15 to 63 months:		1.711	1.740	