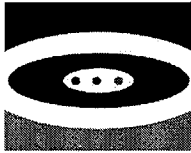


NCRB-NCRF-NCIGA



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

June 30, 2008

N.C. Dept of Insurance
Property & Casualty

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

JUN 30 2008

RECEIVED

Re: Revision of Automobile Insurance Rates -
Private Passenger Cars

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility are revised premium rates for bodily injury and property damage liability and medical payments insurance for nonfleet private passenger automobiles and bodily injury and property damage liability insurance for motorcycles ceded to the Reinsurance Facility.

The rates set forth and supported in the enclosed materials apply only to ceded risks other than "clean risks" as defined in G.S. 58-37-35(1). The rates for "clean risks" ceded to the Reinsurance Facility and the rates for uninsured and combined uninsured/underinsured motorists coverages ceded to the Reinsurance Facility are not affected by this filing.

Rates established hereby reflect consideration duly given to data for the experience period set forth herein. Included in the enclosed materials are statistical data supporting and explaining rate levels varying by territory within the State according to loss experience within each territory. The filing indicates the need for effective statewide rate level changes of 10.4% for bodily injury, 12.4% for property damage and 0.7% for medical payments, for an overall average statewide rate level change of 10.8% for the stated coverages. The filing also indicates a need for a statewide rate level change of 2.2% for the motorcycle liability coverages and includes the appropriate relativities for such change. The ratios in the filing relating to expense experience were developed from special calls issued by the North Carolina Rate Bureau.

Information and statistical data required pursuant to G.S. 58-36-15(h) and information and statistical data described in 11 NCAC 10.1104 are contained in Section F to the extent presently available. In addition, the pre-filed testimony of (a) Raymond F. Evans, Jr., General Manager - North Carolina Reinsurance Facility; (b) Patrick B. Woods, Assistant Vice President and Actuary - Insurance Services Office; and (c) Douglas A. Williams, Managing Director and Senior Portfolio Manager, Evergreen Investment Management Company, LLC, is submitted herewith.

The revised rates set forth herein, which apply only to ceded risks other than "clean risks," will become effective October 1, 2008 in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2008. No policy effective prior to October 1, 2008 shall be endorsed or cancelled and rewritten to take advantage of or to avoid the application of these changes except at the request of the insured and at the customary short rate charges as of the date of such request, but in no event prior to October 1, 2008.

Sincerely,



F. Timothy Lucas
Automobile Manager

FTL:dms

Enclosures

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE CEDED INSURANCE
REVISION OF RATES

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SECTION A
SUMMARY OF REVISION

PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

SUMMARY OF STATEWIDE RATE LEVEL INDICATIONS

<u>COVERAGE</u>	<u>TOTAL LIMITS PREMIUM WEIGHT (A)</u>	<u>FILED CHANGE</u>
Ceded Liability(B):		
Bodily Injury (C)	\$157,091	10.4%
Property Damage(C)	116,017	12.4%
Medical Payments	13,207	0.7%
Ceded Total(D)	286,315	10.8%
Motorcycle Liability:	21,306	2.2%

(A) In Thousands.

(B) Includes only ceded business written at Other-Than-Clean Risk rates.

(C) Indications are combined for basic and higher limits.

BI higher limits indication = +4.1%

PD higher limits indication = 0.0%

(D) Ceded Total represents overall effect for the coverages listed.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
TERRITORY RATE LEVEL CHANGES BY COVERAGE

<u>Terr. Code</u>	<u>Description</u>	<u>30/60 B.I.</u>	<u>\$25,000 P.D.</u>	<u>30/60/25 Combined</u>
11	Asheville	8.5%	14.7%	11.7%
13	Durham	6.8%	11.0%	8.8%
14	Greensboro	8.5%	10.0%	9.2%
15	High Point	8.2%	8.2%	8.2%
16	Raleigh	12.8%	12.3%	12.6%
17	Wilmington	7.3%	14.9%	10.7%
18	Winston-Salem	13.5%	11.7%	12.6%
24	Remainder-West	11.4%	10.9%	11.2%
25	Gaston County	18.3%	13.8%	16.3%
26	Remainder-South	6.7%	12.0%	8.6%
31	Small City-East	9.1%	12.9%	10.8%
32	Small City-West	11.1%	12.4%	11.7%
33	Remainder-East	9.2%	13.4%	10.9%
40	Fayetteville	14.6%	16.0%	15.2%
41	Onslow County	8.0%	17.0%	12.2%
43	Craven County	7.8%	13.2%	10.1%
47	Wayne County	14.1%	11.7%	13.2%
51	Mecklenburg County -Remainder	9.0%	11.6%	10.3%
52	Charlotte	12.4%	13.3%	12.8%
	STATEWIDE	10.4%	12.4%	11.3%

SECTION B
MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PROPOSED BASE RATES - CEDED OTHER-THAN-CLEAN RISK LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$192	\$218	\$19
13	282	252	28
14	268	241	27
15	305	237	31
16	273	256	28
17	308	270	31
18	260	230	26
24	224	193	23
25	329	255	33
26	364	215	37
31	275	227	28
32	230	208	23
33	273	195	28
40	361	268	36
41	269	255	27
43	263	206	27
47	299	200	30
51	219	241	22
52	317	272	32

PRIVATE PASSENGER AUTOMOBILE INSURANCE

DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSUREDS

Liability and Medical Payments Rates

Page B-1 shows the liability and medical payments base rates by territory, given the filed rate level changes. These pages set forth the filed manual rates, for their respective sets of territories, for the classification carrying unity differential. The revised rates for the remaining classifications are determined by applying the appropriate classification rate differentials to the base rates by territory. This filing includes no revision to classification rate differentials, nor revisions to classifications.

19. MISCELLANEOUS TYPES (Cont'd)

- B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes Liability Coverages Only.

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14. Medical Payments coverage for these vehicles is not eligible for cession to the North Carolina Reinsurance Facility.

LIABILITY COVERAGES ONLY

1. Such vehicles with engine size of 499 cubic centimeters or less shall be rated at [~~16%~~] 15% of the applicable private passenger rate.
2. Such vehicles with engine size of 500 to 1249 cubic centimeters shall be rated at [~~26%~~] 24% of the applicable private passenger rate.
3. Such vehicles with engine size of 1250 to 1499 cubic centimeters shall be rated at [~~36%~~] 33% of the applicable private passenger rate.
4. Such vehicles with engine size of 1500 or more cubic centimeters shall be rated at [~~47%~~] 43% of the applicable private passenger rate.

SECTION C
SUPPORTING EXPERIENCE

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2006

Ceded Business - Risks Written at Other-Than-Clean Risk Rates

All Carriers

	30/60 <u>Bodily Injury</u>	\$25,000 <u>Property Dam.</u>	Total Limits <u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	\$87,458,094	\$81,137,778	\$8,437,545
(2) Loss Development Factor (b)	1.121	1.029	1.078
(3) Developed Losses and ALAE (1)x(2)	98,040,523	83,490,774	9,095,674
(4) Unallocated Loss Adjustment Expense Factor (See page D-17)	0.127	0.111	0.127
(5) Unallocated Loss Adjustment Expense (3)x(4)	12,451,146	9,267,476	1,155,151
(6) General and Other Acquisition Expenses (c)	22,167,922	19,607,733	1,876,365
(7) Earned Exposures (a)	436,247	436,247	262,240
(8) Incurred Claims (a)	14,880	33,982	6,931
(9) Claim Development Factor (d)	0.943	1.013	1.026
(10) Developed Claims (9)x(10)	14,032	34,424	7,111
(11) Average Annual Change in Losses and ALAE (See page D-7)	1.8%	2.0%	-0.5%
(12) Average Annual Change in Expenses (See page D-6)	3.1%	3.1%	3.1%
(13) Years of Trend - Losses and ALAE (e)	3.03	3.03	3.03
(14) Years of Trend - ULAE (f)	3.03	3.03	3.03
(15) Years of Trend - G & OA Expenses (g)	2.75	2.75	2.75
(16) Projected Losses and ALAE (e)	103,530,792	88,667,202	8,959,239
(17) Projected ULAE (f)	13,658,907	10,166,421	1,267,201
(18) Projected Losses and LAE per exposure [((16)+(17))/(7)]	268.63	226.55	39.00
(19) Projected G & OA Expenses (g)	24,118,699	21,333,214	2,041,485
(20) Projected Fixed Expenses per exposure [(19)/(7)]	55.29	48.90	7.78
(21) Projected Loss, LAE and Expenses Per Exposure [(18)+(20)]	323.92	275.45	46.78
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-17)	0.879	0.879	0.879
(24) Investment Income (i)	3.5%	3.5%	3.5%
(25) Installment Income (i)	1.1%	1.1%	1.1%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00000	1.00000	1.00000
(27) Premium Required per exposure [((21)x(26))/((23)+(24)+(25)-(22))]	350.18	297.78	50.57
(28) Distributional Adjustment Factor (k)	1.345	1.358	1.844
(29) Required 30/60/25 Base Class Premium [(27)/(28)]	260.36	219.28	27.42
(30) Indicated Total Limits Change (See Section E)	4.1%	0.0%	
(31) Required 30/60/25 Base Class Premium [(29)x(1.0+(30))]	271.03	219.28	27.42

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2006

- (a) Based on the statistical plan data reported by member companies.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. For Bodily Injury, the three year average excluding the 2003 15-27 month link ratio was used. See pages D-11-13.
- (c) The general expenses and other acquisition expenses have been calculated to be 7.3% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
[[3) x (1 + (11))], where (13) = the number of years of projection from the average date of accident to 7/12/2009.
- (f) Projected unallocated loss adjustment expenses =
(14)
[[5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2006 to 7/12/2009.
- (g) Projected general and other acquisition expenses =
(15)
[[6) x (1 + (12))], where (15) = the number of years of projection from 7/1/2006 to 4/1/2009.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

Distributional adjustment factor = Average Rate / Base Rate. See page C-11.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005

Ceded Business - Risks Written at Other-Than-Clean Risk Rates

All Carriers

	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	\$91,462,679	\$76,436,574	\$8,059,053
(2) Loss Development Factor (b)	1.050	1.009	1.021
(3) Developed Losses and ALAE (1)x(2)	96,035,813	77,124,503	8,228,293
(4) Unallocated Loss Adjustment Expense Factor (See page D-18)	0.128	0.122	0.128
(5) Unallocated Loss Adjustment Expense (3)x(4)	12,292,584	9,409,189	1,053,222
(6) General and Other Acquisition Expenses (c)	20,176,965	16,362,082	1,889,362
(7) Earned Exposures (a)	412,606	412,606	246,063
(8) Incurred Claims (a)	14,005	33,448	6,812
(9) Claim Development Factor (d)	0.980	1.004	1.010
(10) Developed Claims (9)x(10)	13,725	33,582	6,880
(11) Average Annual Change in Losses and ALAE (See page D-7)	1.8%	2.1%	-0.8%
(12) Average Annual Change in Expenses (See page D-6)	3.1%	3.1%	3.1%
(13) Years of Trend - Losses and ALAE (e)	4.03	4.03	4.03
(14) Years of Trend - ULAE (f)	4.03	4.03	4.03
(15) Years of Trend - G & OA Expenses (g)	3.75	3.75	3.75
(16) Projected Losses and ALAE (e)	103,238,499	83,834,335	7,964,988
(17) Projected ULAE (f)	13,902,913	10,641,793	1,191,194
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	283.91	228.97	37.21
(19) Projected G & OA Expenses (g)	22,618,378	18,341,894	2,117,975
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	54.82	44.45	8.61
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	338.73	273.42	45.82
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-18)	0.877	0.877	0.877
(24) Investment Income (i)	3.5%	3.5%	3.5%
(25) Installment Income (i)	1.1%	1.1%	1.1%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00435	1.00435	1.00435
(27) Premium Required per exposure $[(21)x(26)]/[(23)+(24)+(25)-(22)]$	368.58	297.52	49.86

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005

- (a) Based on the statistical plan data reported by member companies.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. See pages D-11-13.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.1% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
[(3) x (1 + (11))⁽¹³⁾], where (13) = the number of years of projection from the average date of accident to 7/12/2009.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))⁽¹⁴⁾], where (14) = the number of years of projection from 7/1/2005 to 7/12/2009.
- (g) Projected general and other acquisition expenses =
(15)
[(6) x (1 + (12))⁽¹⁵⁾], where (15) = the number of years of projection from 7/1/2005 to 4/1/2009.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

<u>ed Business - Risks Written at Other-Than-Clean Risk Rates</u>	<u>All Carriers</u>		
	30/60	\$25,000	Total Limits
	<u>Bodily Injury</u>	<u>Property Dam.</u>	<u>Med. Pay.</u>
(1) Reported Incurred Losses and Allocated Loss Adjustment Expense (a)	\$98,908,953	\$75,843,108	\$8,175,175
(2) Loss Development Factor (b)	1.016	1.001	1.007
(3) Developed Losses and ALAE (1)x(2)	100,491,496	75,918,951	8,232,401
(4) Unallocated Loss Adjustment Expense Factor (See page D-19)	0.113	0.126	0.113
(5) Unallocated Loss Adjustment Expense (3)x(4)	11,355,539	9,565,788	930,261
(6) General and Other Acquisition Expenses (c)	18,987,874	16,177,742	1,580,603
(7) Earned Exposures (a)	380,636	380,636	218,748
(8) Incurred Claims (a)	14,848	33,854	6,928
(9) Claim Development Factor (d)	0.988	0.999	1.002
(10) Developed Claims (9)x(10)	14,670	33,820	6,942
(11) Average Annual Change in Losses and ALAE (See page D-7)	1.2%	1.4%	-1.6%
(12) Average Annual Change in Expenses (See page D-6)	3.1%	3.1%	3.1%
(13) Years of Trend - Losses and ALAE (e)	5.03	5.03	5.03
(14) Years of Trend - ULAE (f)	5.03	5.03	5.03
(15) Years of Trend - G & OA Expenses (g)	4.75	4.75	4.75
(16) Projected Losses and ALAE (e)	106,721,969	81,385,115	7,590,274
(17) Projected ULAE (f)	13,240,558	11,153,709	1,084,684
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	315.16	243.12	39.66
9) Projected G & OA Expenses (g)	21,949,982	18,701,470	1,827,177
J) Projected Fixed Expenses per exposure $[(19)/(7)]$	57.67	49.13	8.35
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	372.83	292.25	48.01
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-19)	0.877	0.877	0.877
(24) Investment Income (i)	3.5%	3.5%	3.5%
(25) Installment Income (i)	1.1%	1.1%	1.1%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.0058	1.0058	1.0058
(27) Premium Required per exposure $[(21)x(26)]/((23)+(24)+(25)-(22))$	406.28	318.47	52.32

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

- (a) Based on the statistical plan data reported by member companies.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. See pages D-11-13.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.9% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
[(3) x (1 + (11))], where (13) = the number of years of projection from the average date of accident to 7/12/2009.
- Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2004 to 7/12/2009.
- (g) Projected general and other acquisition expenses =
(15)
[(6) x (1 + (12))], where (15) = the number of years of projection from 7/1/2004 to 4/1/2009.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
BODILY INJURY LIABILITY
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) 30/60 LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) 30/60 BASE CLASS RATE PRES.	(9) IND.
11	6,686	69.42	0.717	96.82	1.0	96.82	0.654	177	192
13	9,314	109.99	0.708	155.35	1.0	155.35	1.050	264	282
14	9,827	104.14	0.712	146.26	1.0	146.26	0.988	247	268
15	3,070	112.03	0.659	170.00	0.9	170.01	1.149	282	305
16	26,708	100.34	0.673	149.09	1.0	149.09	1.008	242	273
17	9,223	118.30	0.688	171.95	1.0	171.95	1.162	287	308
18	10,385	90.72	0.645	140.65	1.0	140.65	0.950	229	260
24	113,194	76.09	0.646	117.79	1.0	117.79	0.796	201	224
25	9,703	114.75	0.618	185.68	1.0	185.68	1.255	278	329
26	39,385	127.20	0.611	208.18	1.0	208.18	1.407	341	364
31	21,911	103.09	0.686	150.28	1.0	150.28	1.016	252	275
3.	38,217	80.41	0.662	121.47	1.0	121.47	0.821	207	230
33	66,529	99.15	0.665	149.10	1.0	149.10	1.008	250	273
40	11,239	139.52	0.677	206.09	1.0	206.09	1.393	315	361
41	8,327	107.85	0.737	146.34	1.0	146.34	0.989	249	269
43	6,094	100.32	0.704	142.50	1.0	142.50	0.963	244	263
47	7,707	105.56	0.636	165.97	1.0	165.97	1.122	262	299
51	4,030	80.98	0.713	113.58	0.9	114.34	0.773	201	219
52	33,694	121.11	0.681	177.84	1.0	177.84	1.202	282	317
SW	435,243	97.72	0.661	147.97		147.98			

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PROPERTY DAMAGE LIABILITY
CALCULATION OF REVISED BASE RATES BY TERRITORY

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2006	(2) \$25,000 LOSS COST 3 YRS ENDED 12/31/2006	(3) DISTRIB. ADJUST. FACTOR	(4) BASE CLASS LOSS COST (2)/(3)	(5) CRED	(6) FORM. BASE CLASS LOSS COST	(7) INDEX (6) TO STATE	(8) \$25,000 BASE CLASS RATE PRES.	(9) IND.
11	6,686	94.31	0.781	120.76	1.0	120.76	0.991	190	218
13	9,314	113.71	0.791	143.75	1.0	143.75	1.179	227	252
14	9,827	108.22	0.795	136.13	1.0	136.13	1.117	219	241
15	3,070	101.83	0.762	133.64	1.0	133.64	1.096	219	237
16	26,708	112.11	0.767	146.17	1.0	146.17	1.199	228	256
17	9,223	115.95	0.746	155.43	1.0	155.43	1.275	235	270
18	10,385	95.02	0.735	129.28	1.0	129.28	1.061	206	230
24	113,194	76.59	0.731	104.77	1.0	104.77	0.859	174	193
25	9,703	103.02	0.707	145.71	1.0	145.71	1.195	224	255
26	39,385	84.19	0.706	119.25	1.0	119.25	0.978	192	215
31	21,911	95.61	0.753	126.97	1.0	126.97	1.042	201	227
32	38,217	85.72	0.750	114.29	1.0	114.29	0.938	185	208
33	66,529	76.83	0.725	105.97	1.0	105.97	0.869	172	195
40	11,239	117.06	0.759	154.23	1.0	154.23	1.265	231	268
41	8,327	110.81	0.760	145.80	1.0	145.80	1.196	218	255
43	6,094	85.20	0.754	113.00	1.0	113.00	0.927	182	206
47	7,707	81.00	0.743	109.02	1.0	109.02	0.894	179	200
51	4,030	104.99	0.772	136.00	1.0	136.00	1.116	216	241
52	33,694	120.72	0.769	156.98	1.0	156.98	1.288	240	272
SW	435,243	90.65	0.743	121.90		121.90			

NOTES TO CALCULATION OF REVISED BASE RATES BY TERRITORY

Liability data shown in column (1) is for ceded business written at Other-Than-Clean Risk rates only. Data shown in column (2) is voluntary and ceded business combined.

Column

- 1) Earned exposures for the year ended 12/31/2006.
- (2) Pure premium (losses divided by exposures) for the three years ended 12/31/2006. Liability data are developed to ultimate.
- (3) Distributional adjustment factor = Present average rate for year ended 12/31/2006 divided by the current base class base rate. The average rate is for voluntary and ceded data combined. See pages C-12-13.
- (4) Base Class Loss Cost = Col.(2) / Col.(3)
- (5) Credibility is determined by each territory's three year number of claims using the credibility tables shown on page D-21.
- (6) Formula base class loss cost = [Col.(4) x Col.(5)] + [Statewide Col.(4)x{1-Col.(5)} x HAF] where HAF is the historical adjustment factor and is equal to the ratio of the current base class base rate to the statewide average base class base rate. See pages C-12-13.
- (7) Index to state = Col.(6) / Statewide Col.(6)
- (8) Present base rates currently in effect as of the date of this filing.
- (9) The revised base rate is calculated by the following formula:

$$\{ [RBCP \times VR \times \text{Col. (7)}] + FE \} \times \text{offset}$$

RBCP = Required base class premium, as shown on page C-1.
VR = variable ratio FE = flattened expense amount

The variable ratio and flattened expense amount account for the flattening of 100% of general and other acquisition expenses by territory and are calculated below:

	BI	PD
(1) Projected general and other acquisition expenses per exposure (from page C-1, line (20))	55.29	48.90
(2) Required average premium per exposure (from page C-1, line (27))	350.18	297.78
(3) Fixed ratio = (1) / (2)	0.158	0.164
(4) Variable ratio 1 - (3)	0.842	0.836
(5) Required Base Class Premium (from page C-1, line (31))	271.03	219.28
(6) Flattened expenses (2) x (3)	42.82	35.96

Offsets are as follows: No offsets have been applied.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CAL PAYMENTS

CALCULATION OF REVISED BASE RATES BY TERRITORY

(5) Terr	(6) MP Exp	(7) Pres. MP Rate	(8) Rev BI Rate	(9) BI CP Offset	(10) Rev MP Rate	(11) Rev. Base Class Premium	(12) Rev. T/L MP Rate	(13) Pres. T/L MP Rate	(14) Terr % Change
11	3,028	20	192	1.000	19	57,532	34.73	36.56	-5.0%
13	5,205	30	282	1.000	28	145,752	51.18	54.84	-6.7%
14	4,422	28	268	1.000	27	119,394	49.36	51.18	-3.6%
15	1,383	32	305	1.000	31	42,873	56.67	58.50	-3.1%
16	16,247	27	273	1.000	28	454,916	51.18	49.36	3.7%
17	4,116	32	308	1.000	31	127,596	56.67	58.50	-3.1%
18	4,988	26	260	1.000	26	129,688	47.53	47.53	0.0%
24	68,555	22	224	1.000	23	1,576,765	42.04	40.22	4.5%
25	3,989	31	329	1.000	33	131,637	60.32	56.67	6.4%
26	26,145	38	364	1.000	37	967,365	67.64	69.46	-2.6%
31	14,862	28	275	1.000	28	416,136	51.18	51.18	0.0%
32	20,934	23	230	1.000	23	481,482	42.04	42.04	0.0%
33	52,516	28	273	1.000	28	1,470,448	51.18	51.18	0.0%
40	4,583	35	361	1.000	36	164,988	65.81	63.98	2.9%
41	3,057	28	269	1.000	27	82,539	49.36	51.18	-3.6%
43	4,230	27	263	1.000	27	114,210	49.36	49.36	0.0%
47	6,043	29	299	1.000	30	181,290	54.84	53.01	3.5%
51	2,560	22	219	1.000	22	56,320	40.22	40.22	0.0%
52	14,766	32	317	1.000	32	472,512	58.50	58.50	0.0%
	261,629					7,193,443			0.7%

- (1) Average Medical Payments Increased Limits Factor. See page E-6.
- (2) % Medical Payments rates of Bodily Injury rates. Used to iteratively determine statewide base class rate.
- (3) Revised base class Medical Payments rate. Sum of column (11) / Sum of column (6).
- (4) Target base class rate. Derived on page C-1.
- (5) Territory.
- (6) Medical Payments exposures by territory.
- (7) Present \$500 Medical Payments rate.
- (8) Revised 30/60 Bodily Injury rate as determined on page C-7.
- (9) BI Class Plan Offset.
- (10) Revised \$500 Medical Payments rate. (8) x (2).
- (11) Revised base class Medical Payments Premium. (6) x (10) / (9).
- (12) Revised total limits Medical Payments rate. (10) x (1).
- (13) Present total limits Medical Payments rate. (7) x (1).
- (14) Territory percent change (12) / (13) / (9).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

CALCULATION OF STATEWIDE DISTRIBUTIONAL ADJUSTMENT FACTORS

	BODILY INJURY LIABILITY				PROPERTY DAMAGE LIABILITY		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
	EARNED	30/60	30/60	(2)/(3)	\$25,000	\$25,000	(5)/(6)
	CAR YEARS	PRES.	BASE	DISTRIB.	PRES.	BASE	DISTRIB.
	YR. ENDED	AVG.	CLASS	ADJUST.	AVG.	CLASS	ADJUST.
R	12/31/2006	PREM	RATE	FACTOR	PREM	RATE	FACTOR
11	6,686	270.38	177	1.528	290.24	190	1.528
13	9,314	373.08	264	1.413	320.79	227	1.413
14	9,827	353.66	247	1.432	313.57	219	1.432
15	3,070	382.43	282	1.356	296.99	219	1.356
16	26,708	341.43	242	1.411	321.67	228	1.411
17	9,223	390.37	287	1.360	319.64	235	1.360
18	10,385	315.91	229	1.380	284.18	206	1.380
24	113,194	284.12	201	1.414	245.95	174	1.414
25	9,703	376.98	278	1.356	303.75	224	1.356
26	39,385	394.78	341	1.158	222.28	192	1.158
31	21,911	337.91	252	1.341	269.53	201	1.341
32	38,217	295.72	207	1.429	264.29	185	1.429
33	66,529	318.59	250	1.274	219.19	172	1.274
40	11,239	446.97	315	1.419	327.78	231	1.419
41	8,327	376.75	249	1.513	329.85	218	1.513
43	6,094	345.15	244	1.415	257.45	182	1.415
47	7,707	323.31	262	1.234	220.88	179	1.234
51	4,030	297.94	201	1.482	320.17	216	1.482
52	33,694	371.02	282	1.316	315.76	240	1.316
SW	435,243	330.06	245.38	1.345	264.62	194.86	1.358

MEDICAL PAYMENTS

	(1)	(2)	(3)	(4)		
	EARNED	\$500	\$500	(2)/(3)		
	CAR YEARS	PRES.	BASE	DISTRIB.		
	YR. ENDED	AVG.	CLASS	ADJUST.		
R	12/31/2006	PREM	RATE	FACTOR		
11	3,028	23.11	20	1.156		
13	5,205	32.14	30	1.071		
14	4,422	31.81	28	1.136		
15	1,383	32.36	32	1.011		
16	16,247	29.11	27	1.078		
17	4,116	34.10	32	1.066		
18	4,988	28.17	26	1.083		
24	68,555	23.59	22	1.072		
25	3,989	31.64	31	1.021		
26	26,145	32.24	38	0.848		
31	14,862	28.01	28	1.000		
32	20,934	25.19	23	1.095		
33	52,516	26.74	28	0.955		
40	4,583	36.64	35	1.047		
41	3,057	31.47	28	1.124		
43	4,230	27.60	27	1.022		
47	6,043	26.22	29	0.904		
51	2,560	25.23	22	1.147		
52	14,766	33.46	32	1.046	AVERAGE ILF	TOTAL
SW	261,629	27.55	27.30	1.009	1.828	1.844

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
BODILY INJURY LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2006	30/60 PRES. AVG. PREM(A)	30/60 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,686	126.96	177	0.717	0.721
13	9,314	187.00	264	0.708	1.076
14	9,827	175.92	247	0.712	1.007
15	3,070	185.93	282	0.659	1.149
16	26,708	162.78	242	0.673	0.986
17	9,223	197.32	287	0.688	1.170
18	10,385	147.75	229	0.645	0.933
24	113,194	129.81	201	0.646	0.819
25	9,703	171.78	278	0.618	1.133
26	39,385	208.38	341	0.611	1.390
31	21,911	172.92	252	0.686	1.027
32	38,217	136.99	207	0.662	0.844
33	66,529	166.30	250	0.665	1.019
40	11,239	213.24	315	0.677	1.284
41	8,327	183.47	249	0.737	1.015
43	6,094	171.77	244	0.704	0.994
47	7,707	166.67	262	0.636	1.068
51	4,030	143.35	201	0.713	0.819
52	33,694	191.94	282	0.681	1.149
SW	435,243	162.09	245.38	0.661	

(A) Voluntary and Ceded business combined.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
PROPERTY DAMAGE LIABILITY

CALCULATION OF TERRITORY DISTRIBUTIONAL ADJUSTMENT FACTORS
AND HISTORICAL ADJUSTMENT FACTORS

	(1)	(2)	(3)	(4)	(5)
T E R R I T O R Y	EARNED CAR YEARS YR. ENDED 12/31/2006	\$25000 PRES. AVG. PREM(A)	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,686	148.44	190	0.781	0.975
13	9,314	179.59	227	0.791	1.165
14	9,827	174.06	219	0.795	1.124
15	3,070	166.98	219	0.762	1.124
16	26,708	174.87	228	0.767	1.170
17	9,223	175.29	235	0.746	1.206
18	10,385	151.37	206	0.735	1.057
24	113,194	127.23	174	0.731	0.893
25	9,703	158.29	224	0.707	1.150
26	39,385	135.53	192	0.706	0.985
31	21,911	151.30	201	0.753	1.032
32	38,217	138.76	185	0.750	0.949
33	66,529	124.72	172	0.725	0.883
40	11,239	175.29	231	0.759	1.185
41	8,327	165.69	218	0.760	1.119
43	6,094	137.23	182	0.754	0.934
47	7,707	132.99	179	0.743	0.919
51	4,030	166.78	216	0.772	1.108
52	33,694	184.48	240	0.769	1.232
SW	435,243	144.83	194.86	0.743	

(A) Voluntary and Ceded business combined.

SECTION D
EXPLANATORY MATERIAL

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Explanatory Memorandum

This memorandum supplements the filing letter and supporting exhibits setting forth a revision of private passenger automobile insurance rates in the State of North Carolina. It is the purpose of this memorandum to describe the source data used and to set forth in detail the insurance ratemaking procedures reflected in the filing. Certain pages in the filing and accompanying material contain a notation "all carriers" or other similar wording. This indicates that the data are combined ISO, ISS and NISS data. Data for certain companies are not included, as noted on page F-7.

Premium, Loss and Expense Experience

This revision is based upon the combined premium, loss, and expense experience, as applicable, of all licensed companies writing private passenger automobile insurance in this State, except as noted in Section F. In order to have this experience available in all detail necessary for rate review and ratemaking in accordance with accepted standards, all such companies are required to file each year their total private passenger automobile insurance experience with the official statistical agents recorded pursuant to the official statistical plans and reported by the companies in accordance with instructions issued by the statistical agents under the Official Calls for Experience.

The Commissioner appointed the following statistical agents to act on his behalf for the collection of private passenger automobile insurance experience in North Carolina; Insurance Services Office (ISO), Independent Statistical Service (ISS), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Automobile Statistical Plan and the 2006 Official Statistical Programs of ISO, the Automobile Statistical Plan - All Coverages and the 2006 Statistical Programs of ISS, and the Automobile Statistical Plan - All Coverages - Part IV, North Carolina and the 2006 Statistical Programs of NISS. In substance, the statistical plans of all statistical agents are alike in North Carolina, and provide for the recording and reporting of the experience in the detail required for ratemaking and in such form that the experience of all companies can be combined.

The filing of experience is accompanied by an affidavit executed by an officer of the statistical agent responsible for and acquainted with the statistical procedures employed for the production of this end product. Further, the licensing of an organization and its appointment as a statistical agent in the various states is predicated upon demonstration by the organization of its ability to perform this function. Moreover, the performance of the statistical agents is reviewed periodically through examination by personnel of state insurance departments under the convention examinations of the National Association of Insurance Commissioners. From time to time such organizations are called upon by Insurance Department examiners to verify, and do verify the data consolidated by them as statistical agents.

The insurance companies likewise are subject to a variety of checks and controls. Effective controls are maintained within the company over the activities of company employees connected with the company's statistics. Companies are required by statute to submit directly to the Insurance Department statistical and accounting information to be found in the Annual Statement and the Insurance Expense Exhibit. These documents are scrutinized by experienced Insurance Department personnel throughout the country. The insurance companies are also subject to examination by the Insurance Department, which examinations extend into the statistical records of the companies.

Statewide Rate Level Exhibits

1. Experience

Private Passenger Automobile Liability

Private passenger automobile liability experience for ceded business written at Other-Than-Clean Risk Rates was compiled on a calendar/accident year basis for the years ended December 31, 2006, 2005 and 2004. For any twelve-month period, the accident year experience brings together the losses resulting from accidents occurring during that period with the premiums and number of cars "earned" during the same period.

Based on credibility considerations, the overall rate level change for Bodily Injury, Property Damage and Medical Payments is based on the loss and expense experience of the year ended December 31, 2006. However, the experience of the earlier two years was also considered and evaluated. Indications for all three years were reviewed to make sure that there were no anomalies or abnormalities associated with the latest year.

Motorcycle Liability

Motorcycle data are obtained from a Special Call for Expense Experience issued by the Rate Bureau. See page F-153. The data are compiled on a combined voluntary and ceded basis. The motorcycle data are for the years ended December 31, 2006, 2005 and 2004. Because of the small volume of motorcycle experience, each year of the experience period is given weight proportional to its earned premium in the calculation of an indicated change.

2. Private Passenger Losses

Losses compiled for any accident year include paid losses as well as loss reserves. The amounts that will ultimately be required as payments of claims on open cases are carefully determined by the claim departments of the companies, and experience has shown that these determinations are highly accurate in the aggregate. Since, however, there are differences between the total incurred losses so determined and the amounts ultimately paid, the ratemaking procedure provides for a "development" of the incurred losses to a basis which, for all practical purposes, can be considered as the ultimate basis. This development is accomplished as follows:

Each year the experience is compiled for the latest three years, all valued as of three months after the close of the latest accident year period. Thus, the experience is reported for the latest year as of 15 months, the preceding year as of 27 months and the next preceding year as of 39 months, all measured from the beginning of each accident year respectively. From reports of prior years, similarly aged experience was obtained so that there are available 3 successive reports for each year except the current and the preceding year. For the latter, 2 successive reports are available.

Further aged data are obtained on each year's incurred losses in the aggregate as of 51 months and as of 63 months. As of 63 months, nearly all incurred losses are paid. From a comparison of the incurred losses for each year at its successive valuation dates, it is determined what the rate of development has been in the past. An average of these developments gives an indication of the future development of the incurred losses for those years which have not yet sufficiently matured. This development is reflected in the incurred losses for the less matured years by the application of loss development factors. In the present filing, these loss development factors to develop to 63 months are as follows:

<u>Accident Year Ended</u>	<u>Bodily Injury</u>	<u>Property Damage</u>	<u>Medical Payments</u>
12/31/2006 (reported as of 15 months)	1.121	1.029	1.078
12/31/2005 (reported as of 27 months)	1.050	1.009	1.021
12/31/2004 (reported as of 39 months)	1.016	1.001	1.007

The derivation of the factors shown above is presented on pages D-11, D-12, and D-13. By applying these factors, the reported incurred losses have been changed to the amounts at which it is believed they will ultimately be settled.

3. Private Passenger Loss Adjustment Expense

The liability unallocated loss adjustment expenses are determined as a percentage of the North Carolina incurred losses and allocated loss adjustment expenses based on a North Carolina expense call. The expense call data and the percentages derived from them are shown on page F-152.

4. Private Passenger General Expenses and Other Acquisition Expenses

The general expenses and other acquisition expenses are determined as a percentage of North Carolina earned premiums based on a North Carolina expense call. The expense call data and the percentages determined from them are shown on page F-152.

5. Prospective Annual Change in Losses

A. Private Passenger Automobile Liability

The prospective annual changes in liability losses are determined by coverage for the Bodily Injury, Property Damage and Medical Payments coverages. The average annual changes in losses are based upon the available North Carolina average claim cost and claim frequency data, both from collected statistical plan experience and ISO-ISS Fast Track data. The claim cost data are used as a measure of the inflationary trend in the cost of claims. The claim frequency data are used as a measure of the expected trend in claim occurrence. Exponential and linear curves of best fit are developed from the claim cost and claim frequency data. The prospective average annual changes in losses used in the determination of the needed rate level change are also based upon consideration of changes in the number of miles driven, the changing cost of gasoline, and the impact of recent legislation. The expected average annual changes in losses have been selected based upon analysis and review of these data.

B. Annual Changes in Loss for Earlier Years

Since the average annual change in losses determined for each coverage is the appropriate rate of change to apply to losses to project them from average date of accident in the most recent year to the average date of accident for the prospective period, it is necessary to recognize known changes from earlier years to the most recent year. These changes are reflected by means of a current cost factor which reflects the changes in pure premiums for the years ended 12/31/2004 and 12/31/2005 to the year ended 12/31/2006 pure premiums. For the purposes of display and calculation of the indicated change by coverage, these actual changes are compounded with the prospective annual change in losses by means of equivalent annual percentage changes. These calculations are shown on pages D-7 and D-8.

6. Prospective Annual Change in Expenses

The average annual change in expenses is based on the change in the All Items Consumer Price Index and the Total Compensation Cost Index - Insurance Carriers, Agent Brokers, and Service, as shown on pages D-9-10. The expected average annual change in expenses is then selected based on analysis and review of this data.

7. Trend Period

The number of years of projection is the number of years from the average date of accident in the experience period to the average date of coverage under the filed rates. The average date of accident for accident year ended December 31, 2006 is July 1, 2006.

The changes proposed in this filing are applicable to all new and renewal policies written on or after October 1, 2008. The losses and loss adjustment expenses are projected to July 12, 2009. For 6 month policies, the average date of loss is 9 months after the effective date, since losses will occur under these policies throughout the 18 month period commencing with the anticipated effective date. Similarly, for 12 month policies, the average date of loss is 12 months after the anticipated effective date, since losses will occur under these policies throughout the 24 month period commencing with the assumed effective date for annual policies. The average dates of loss during these periods anticipated are weighted based on the distribution of 6 and 12 month policies.

The most recent distribution of policies by term is:

6 month policies	87%
12 month policies	13%

Other acquisition expenses and general expenses are projected six months beyond the anticipated effective date (April 1, 2009) to reflect expense incurred in writing policies throughout the 12 month period commencing with the anticipated effective date.

8. Expected Loss and Loss Adjustment Ratios

These quantities represent the portion of the present premium income available for losses, loss adjustment expenses, general expenses and other acquisition expenses. They are determined from special calls for North Carolina expense experience and reflect the 2006, 2005 and 2004 results as reported by all companies licensed in North Carolina during those years. The breakdowns of the expected loss and loss adjustment ratios are set forth on Pages D-17, D-18, and D-19.

Territory Rate Exhibits

1. Base Class Loss Cost

For each coverage, a base class loss cost by territory is derived by dividing the latest three year average pure premium by the latest year distributional adjustment factor. The distributional adjustment factor is determined for each territory by dividing the latest year average rate by the base class rate (see pages C-12-C-13). The average rates reflect the most recent distribution of risks by class in each territory. The pure premium or loss cost (losses / exposures) is based on three years of experience for purposes of stability.

2. Credibility

The base class loss cost for each territory is assigned a credibility value on the basis of the number of claims underlying the three year pure premium. The complement of the credibility assigned to the territory base class loss cost is assigned to the statewide base class loss cost. The credibility table utilized is shown on page D-21.

3. Formula Base Class Loss Cost

The formula base class loss cost by territory is calculated by multiplying the territory base class loss cost by its credibility value and adding this amount to the statewide base class loss cost multiplied by the complement of the territory credibility and the historical adjustment factor. The historical adjustment factor is calculated as the ratio of the current territory base class rate to the current statewide average base class rate. See pages C-12-C-13.

4. Index to State

Territory indices to state are calculated by dividing each territory's credibility-weighted formula base class loss cost with the statewide formula base class loss cost.

5. Filed Base Rate

Filed base rates by territory were developed so as to achieve the statewide required base class premium. The rate change has been distributed in such a way that 100% of the general and other acquisition expenses have been flattened by territory. The calculation of the flattened general and other acquisition expenses are described on page C-9.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	5.5%	-3.5%	1.8%
Bodily Injury (T/L)	6.0%		
Property Damage	3.0%	-1.0%	2.0%
Medical Payments	1.5%	-2.0%	-0.5%

Expense Trend 3.1%

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2006 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2004	1.092	0.921	1.006	1.018	1.012
	2005	1.045	0.972	1.016	1.018	1.018
	2006	1.000	1.000	1.000	1.018	1.018
Property Damage	2004	1.055	0.959	1.012	1.020	1.014
	2005	1.041	0.984	1.024	1.020	1.021
	2006	1.000	1.000	1.000	1.020	1.020
Medical Payments	2004	1.030	0.908	0.935	0.995	0.984
	2005	1.015	0.967	0.982	0.995	0.992
	2006	1.000	1.000	1.000	0.995	0.995

(a) 2004 Claim Cost Change = (2006 Claim Cost) / (2004 Claim Cost).
2005 Claim Cost Change = (2006 Claim Cost) / (2005 Claim Cost).

(b) 2004 Claim Frequency Change = (2006 Claim Frequency)
/ (2004 Claim Frequency). 2005 Claim Frequency Change =
(2006 Claim Frequency) / (2005 Claim Frequency).

(c) Current Cost Factor = Column (2) * Column (3)

(d) Annualized Trend for 2004 and 2005

$$= \left[(\text{COL}(5))^m \times (\text{COL}(4))^{(1/n)} \right]$$

where m is the number of years of projection of the 2006 trend factor from 7/1/2006 to 7/12/2009, 3.03, Col (4) represents the Current Cost Factor to 7/1/2006, and n represents the number of years of projection for a given prior year, 4.03 for 2005 and 5.03 for 2004.

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2004	\$ 6,410	1.51
	2005	6,697	1.43
	2006	7,001	1.39
Property Damage	2004	\$ 2,546	3.92
	2005	2,580	3.82
	2006	2,685	3.76
Medical Payments	2004	\$ 1,784	1.31
	2005	1,810	1.23
	2006	1,837	1.19

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-125 and F-127.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
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	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	
Oct-07	208.9	
Nov-07	210.2	200.8
Dec-07	210.0	
Jan-08	211.1	
Feb-08	211.7	204.1
Mar-08	213.5	

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)	3.15%	3.14%	3.14%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.99%	2.94%	2.97%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.89%	3.30%	3.10%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	2.91%	2.65%	2.78%
(5) Average Annual Index (D)			
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	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	
Year Ended 3/31/2008	209.43	201.45	

Current Cost Factor (Index Value Divided by Average Annual Index)

Year Ended 9/30/2005	1.10	1.09	1.10
Year Ended 3/31/2006	1.08	1.07	1.08
Year Ended 9/30/2006	1.06	1.06	1.06
Year Ended 3/31/2007	1.05	1.05	1.05
Year Ended 9/30/2007	1.04	1.03	1.04
Year Ended 3/31/2008	1.02	1.01	1.02

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
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					459,179,969
1994				499,778,973	497,362,994
1995			508,281,001	510,695,093	507,711,940
1996		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	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	
2004	539,624,419	573,780,470	593,251,141		
2005	534,184,208	576,962,347			
2006	555,212,150				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.995
1995			1.005	0.994
1996		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	0.999
2003	1.084	1.035	1.011	
2004	1.063	1.034		
2005	1.080			
Five Year Average	1.066	1.028	1.013	1.003
Three Year Average (b)	1.068	1.033	1.014	1.002
		Five Year	Three Year	
39 to 63 months:		1.016	1.016	
27 to 63 months:		1.044	1.050	
15 to 63 months:		1.113	1.121	

(a) Losses are on a 30/60 level for 2002-2006.

Losses are on a 25/50 level for 1993-2001.

(b) The 15-27 month three year average is for 2002, 2004 and 2005.

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 Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					290,374,126
1994				342,544,827	342,489,519
1995			386,974,758	387,215,933	387,183,990
1996		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	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	
2004	540,779,130	552,344,575	560,950,492		
2005	560,372,482	572,679,307			
2006	585,759,190				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		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	1.000
2003	1.018	1.005	0.999	
2004	1.021	1.016		
2005	1.022			
Five Year Average	1.018	1.004	1.001	1.000
Three Year Average	1.020	1.008	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.005	1.009
15 to 63 months:	1.023	1.029

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					75,141,528
1994				79,141,305	79,248,603
1995			82,590,616	83,077,081	83,224,393
1996		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	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	
2004	85,271,787	89,295,154	91,165,945		
2005	84,730,224	89,100,195			
2006	91,005,311				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.002
1996		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	1.000
2003	1.070	1.006	1.008	
2004	1.047	1.021		
2005	1.052			
Five Year Average	1.058	1.016	1.008	1.003
Three Year Average	1.056	1.014	1.007	1.000
		Five Year	Three Year	
39 to 63 months:		1.011	1.007	
27 to 63 months:		1.027	1.021	
15 to 63 months:		1.087	1.078	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					72,128
1994				84,346	83,857
1995			90,615	90,309	89,961
1996		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	91,069
2003	98,407	94,411	93,472	92,709	
2004	98,867	95,352	94,812		
2005	96,834	93,155			
2006	96,429				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			0.997	0.996
1996		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	0.990
2003	0.959	0.990	0.992	
2004	0.964	0.994		
2005	0.962			
Five Year Average	0.962	0.991	0.994	0.995
Three Year Average	0.962	0.992	0.994	0.994

Five Year Three Year

39 to 63 months:	0.989	0.988
27 to 63 months:	0.980	0.980
15 to 63 months:	0.943	0.943

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,569
1994				191,123	191,119
1995			203,409	203,482	203,511
1996		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	227,151
2003	235,482	236,947	237,345	236,866	
2004	239,528	241,668	244,848		
2005	242,482	245,096			
2006	243,912				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		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	0.999
2003	1.006	1.002	0.998	
2004	1.009	1.013		
2005	1.011			
Five Year Average	1.008	1.002	1.000	1.000
Three Year Average	1.009	1.005	1.000	0.999
		Five Year	Three Year	
39 to 63 months:		1.000	0.999	
27 to 63 months:		1.002	1.004	
15 to 63 months:		1.010	1.013	

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
1993					60,391
1994				66,604	66,592
1995			68,876	69,056	69,057
1996		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	62,393
2003	59,036	60,027	60,458	60,586	
2004	56,892	57,641	58,405		
2005	56,522	57,491			
2006	59,284				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		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	1.000
2003	1.017	1.007	1.002	
2004	1.013	1.013		
2005	1.017			
Five Year Average	1.016	1.008	1.002	1.000
Three Year Average	1.016	1.008	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.010	1.010	
15 to 63 months:		1.026	1.026	

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2006 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.1
Underwriting Profit	-
Contingencies	0.0
Total	12.1
Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	87.9
Loss Adjustment Expense	
Bodily Injury & Medical Payments	12.7
Property Damage	11.1
General Administration	7.3
Other Acquisition Expenses	8.3

(a) For use with 12/31/2006 Liability data.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2005 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.3
Underwriting Profit	-
Contingencies	0.0
Total	12.3
Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	87.7
Loss Adjustment Expense	
Bodily Injury & Medical Payments	12.8
Property Damage	12.2
General Administration	5.1
Other Acquisition Expenses	8.3

(a) For use with 12/31/2005 Liability data.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2004 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.3
Underwriting Profit	-
Contingencies	0.0
Total	12.3
Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	87.7
Loss Adjustment Expense	
Bodily Injury & Medical Payments	11.3
Property Damage	12.6
General Administration	5.9
Other Acquisition Expenses	8.3

(a) For use with 12/31/2004 Liability data.

Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate level in the determination of accident year weights.
- 2) territory rate level in the determination of the individual territory's formula loss ratio.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.

CREDBILITY TABLES BASED
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

SECTION E
INCREASED LIMITS REVIEW

Increased limits Revision

Since the changes to the increased limits factors for Bodily Injury and Property Damage Liability as filed in the NCRB rate filing have not yet been implemented, the total limits indications for these coverages have been applied to the basic limit rates.

The Bodily Injury total limits indication of +4.1%, determined on page E-2 is applied to the basic limits Bodily Injury rates.

The Property Damage total limits indication of 0.0%, determined on page E-3 is applied to the basic limits Property Damage rates.

Pages E-4-5 display the calculation of the average increased limits factors for Bodily Injury and Property Damage on a 30/60/25 basis. The average increased limits factors derived on these pages are used for the determination of the uniform indications as shown on pages E-2-3, and in the determination of the premium weights shown on page A-1.

Page E-6 displays the calculation of the average increased limits factor for Medical Payments. This factor is used in the determination of the distributional adjustment factor on page C-11 and in the determination of the premium weights shown on page A-1.

NORTH CAROLINA
 ANNUAL INJURY INCREASED LIMITS

Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a)(b)	270,569,958	254,290,699	235,381,749	760,242,406
(2) Basic limits loss dev. factor (See page D-11)	1.016	1.050	1.121	
(3) Basic limits claim cost trend (See page D-6)	5.5%	5.5%	5.5%	
(4) Years of trend (See page C-2)	5.03	4.03	3.03	
(5) Basic limits trend factor [1+(3)]^(4)	1.309	1.241	1.176	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	359,842,892	331,353,495	310,302,818	1,001,499,205
(7) Total limits losses (b)	292,869,224	277,214,018	255,854,613	825,937,855
(8) Total limits loss dev. factor (See page F-43)	1.017	1.066	1.175	
(9) Total limits claim cost trend (See page D-6)	6.0%	6.0%	6.0%	
(10) Years of trend (See page C-2)	5.03	4.03	3.03	
(11) Total limits trend factor [1+(9)]^(10)	1.341	1.265	1.193	
(12) Total limits losses, trended and developed (7)x(8)x(11)	399,414,169	373,820,331	358,650,600	1,131,885,100
(13) Indicated average if (12)/(6)	1.110	1.128	1.156	1.130
(14) Average increased limits factor (See page E-4)	1.082	1.086	1.091	1.086 (c)
(15) Indicated change to excess limits increments {[(13)-1]/[(14)-1]}-1				51.2%
(16) Indicated total limits change {(13)/(14)}-1				4.1%

(a) Basic limits are 30/60.
 (b) Based on the statistical plan data reported by member companies.
 (c) Three Year Average

NORTH CAROLINA
REVIEW OF PROPE. . . DAMAGE INCREASED LIMITS

Ceded Business	12/31/2004	12/31/2005	12/31/2006	3 Years Combined
(1) Basic limits losses (a)(b)	218,760,271	215,627,883	216,160,367	650,548,521
(2) Basic limits loss dev. factor (See page D-12)	1.001	1.009	1.029	
(3) Basic limits losses, developed (1)x(2)	218,979,031	217,568,534	222,429,018	658,976,583
(4) Total limits losses (b)	219,793,395	216,579,324	217,193,247	653,565,966
(5) Total limits loss dev. factor (See page F-44)	1.001	1.008	1.027	
(6) Total limits losses, developed (4)x(5)	220,013,188	218,311,959	223,057,465	661,382,612
(7) Indicated average increased limits factor (6) / (3)	1.005	1.003	1.003	1.004
(8) Average increased limits factor (See page E-5)	1.004	1.004	1.005	1.004 (c)
(9) Indicated change to excess limits increments $\{[(7)-1]/[(8)-1]\}-1$				0.0%
(10) Indicated total limits change $\{(7)/(8)\}-1$				0.0%

(a) Basic limits are \$25,000.

(b) Based on the statistical plan data reported by member companies.

(c) Three Year Average

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

Year Ending 12/31/2006
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF*	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	168,752,245	1.00	168,752,245	1.00	168,752,245
50/100	77,324,601	1.15	67,238,783	1.15	77,324,600
100/200	549,691	1.32	416,433	1.33	553,856
100/300	54,217,132	1.34	40,460,546	1.35	54,621,737
250/500	2,032,122	1.55	1,311,046	1.57	2,058,342
300/300	155,198	1.53	101,437	1.54	156,213
1000/1000	4,479	1.80	2,488	1.83	4,553
All Other	5,899,525	1.089	5,417,378	1.091	5,910,359
	308,934,993	1.089	283,700,356	1.091	309,381,905

Year Ending 12/31/2005
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	178,762,813	1.00	178,762,813	1.00	178,762,813
50/100	70,808,223	1.14	62,112,476	1.15	71,429,347
100/200	624,878	1.30	480,675	1.33	639,298
100/300	52,490,754	1.32	39,765,723	1.35	53,683,726
50/500	1,881,171	1.52	1,237,613	1.57	1,943,052
300/300	161,595	1.50	107,730	1.54	165,904
1000/1000	2,235	1.76	1,270	1.83	2,324
All Other	1,346,364	1.079	1,247,789	1.086	1,355,099
	306,078,033	1.079	283,716,089	1.086	307,981,563

Year Ending 12/31/2004
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	179,184,230	1.00	179,184,230	1.00	179,184,230
50/100	64,831,872	1.14	56,870,063	1.15	65,400,572
100/200	853,989	1.30	656,915	1.33	873,697
100/300	49,838,883	1.32	37,756,730	1.35	50,971,586
250/500	1,378,303	1.52	906,778	1.57	1,423,641
300/300	279,913	1.50	186,609	1.54	287,378
1000/1000	2,579	1.76	1,465	1.83	2,681
All Other	101,142	1.076	93,998	1.082	101,706
	296,470,911	1.076	275,656,788	1.082	298,245,491

* Prior increased limits factors for year ending 12/31/2006 are a weighted average of the increased limits factors effective 5/15/2006 and those in effect prior to 5/15/2006.

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

Year Ending 12/31/2006

Ceded Property Damage - \$25,000 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) \$25,000 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
25,000	143,366,074	1.000	143,366,074	1.000	143,366,074
50,000	107,287,779	1.010	106,225,524	1.010	107,287,779
100,000	3,940,737	1.030	3,825,958	1.030	3,940,737
250,000	1,289	1.059	1,217	1.059	1,289
300,000	12	1.069	11	1.069	12
500,000	285	1.113	256	1.113	285
1,000,000	5	1.202	4	1.202	5
All Other	4,752,945	1.005	4,729,299	1.005	4,752,945
	259,349,126	1.005	258,148,343	1.005	259,349,126

Year Ending 12/31/2005

Ceded Property Damage - \$25,000 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) \$25,000 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
25,000	152,596,123	1.000	152,596,123	1.000	152,596,123
50,000	101,770,804	1.010	100,763,172	1.010	101,770,804
100,000	3,031,190	1.030	2,942,903	1.030	3,031,190
250,000	571	1.059	539	1.059	571
300,000	352	1.069	329	1.069	352
500,000	284	1.113	255	1.113	284
1,000,000	93	1.202	77	1.202	93
All Other	1,408,651	1.004	1,403,039	1.004	1,408,651
	258,808,068	1.004	257,706,437	1.004	258,808,068

Year Ending 12/31/2004

Ceded Property Damage - \$25,000 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) \$25,000 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
25,000	154,276,948	1.000	154,276,948	1.000	154,276,948
50,000	92,210,249	1.010	91,297,276	1.010	92,210,249
100,000	2,040,119	1.030	1,980,698	1.030	2,040,119
250,000	1,538	1.059	1,452	1.059	1,538
300,000	224	1.069	210	1.069	224
500,000	460	1.113	413	1.113	460
1,000,000	267	1.202	222	1.202	267
All Other	1,827,903	1.004	1,820,621	1.004	1,827,903
	250,357,708	1.004	249,377,840	1.004	250,357,708

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

Year Ending 12/31/2006
Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	709,698	1.00	709,698
750	87,224	1.33	65,582
1,000	13,847,697	1.60	8,654,811
2,000	10,118,727	2.34	4,324,242
3,000	130	2.79	47
5,000	812,879	3.38	240,497
10,000	2,235	3.86	579
All Other	63,086	1.828	34,511
Total	25,641,676	1.828	14,029,967

Year Ending 12/31/2005
Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	767,241	1.00	767,241
750	18,240	1.33	13,714
1,000	14,492,482	1.60	9,057,801
2,000	10,419,302	2.34	4,452,693
3,000	12	2.79	4
5,000	642,116	3.38	189,975
10,000	5,781	3.86	1,498
All Other	12,506	1.819	6,875
Total	26,357,680	1.819	14,489,801

Year Ending 12/31/2004
Ceded Medical Payments - \$500 Base

Limit	(1)	(2)	(3)
	Written Premium	Current ILF	(1)/(2) B/L Premium
\$500	778,899	1.00	778,899
750	23,131	1.33	17,392
1,000	13,849,397	1.60	8,655,873
2,000	9,879,677	2.34	4,222,084
3,000	-49	2.79	-18
5,000	417,068	3.38	123,393
10,000	10,644	3.86	2,758
All Other	-33,500	1.809	-18,519
Total	24,925,267	1.809	13,781,862

SECTION F
SUPPLEMENTAL MATERIAL

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUPPLEMENTAL MATERIAL

North Carolina G.S. 58-36-15(h) specifies that the following information must be included in certain policy form, rule and rate filings filed under Articles 36 and 37. 11 NCAC 10.1104 specifies that additional detail be provided under each of these items. These materials are contained on the pages indicated.

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	F-2-32
2. Credibility factor development and application.	F-33-35
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	F-36-112
4. Trending factor development and application.	F-113-148
5. Changes in premium base resulting from rating exposure trends.	F-149
6. Limiting factor development and application.	F-150
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	F-151-153
8. Percent rate change.	F-154
9. Final proposed rates.	F-155
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	F-156-183
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	F-184-189
12. Investment earnings on capital and surplus.	F-190
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	F-191
14. Additional supplemental information (as per 11 NCAC 10.1104)	F-192 193

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

1. NORTH CAROLINA EARNED PREMIUMS AT THE ACTUAL AND CURRENT RATE LEVEL
- LOSSES AND LOSS ADJUSTMENT EXPENSES, EACH ON PAID AND INCURRED BASES
WITHOUT TRENDING OR OTHER MODIFICATION FOR THE EXPERIENCE PERIOD
- LOSS RATIOS ANTICIPATED AT THE TIME THE RATES WERE PROMULGATED FOR THE
EXPERIENCE PERIOD
- | | |
|--|----------------|
| (1) Earned premiums at collected and current levels. | F-3-4 |
| (1) Paid/incurred losses and loss adjustment expense. | F-5 |
| (1) Anticipated loss ratios. | F-6 |
| (a) Companies excluded - rate level, trend, loss
development, investment income and expenses. | F-7 |
| (b) Increased limits factors and deductible credits. | F-8 |
| (c) Adjustments to premium, losses, loss adjustment
expenses and exposures. | F-9 |
| (d) Calculation of earned premium at present rates. | F-10 |
| (e) Written and earned premiums and market shares for
the ten largest writers. | F-11 |
| (f) Composite loss and premium information from each
of the latest two annual statements for the 50
largest writers.
Part 2, line 19
Part 3, line 19
Page 15, lines 19.1 and 19.2 | F-12-16 |
| (g) Deviations. | Not applicable |
| (h) Dividends. | Not applicable |
| (i) Loss and loss adjustment expenses. | F-17-19 |
| (j) Excess losses (Comprehensive) | Not applicable |
| (k) Territory data. | F-20-32 |

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED EARNED PREMIUM

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	\$133,717,420	\$150,574,362	\$142,102,062
Property Damage	113,927,762	122,105,087	125,690,596
Medical Payments	11,131,008	14,099,713	12,027,983

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	\$137,512,773	\$142,360,180	\$143,988,309
Property Damage	111,170,728	114,555,856	115,439,563
Medical Payments	12,226,503	12,947,395	13,207,404

(a) Ceded Liability premiums are for business written at Facility rates only and are at a 30/60 level for Bodily Injury, \$25,000 for Property Damage, and Total Limits for Medical Payments.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
EARNED PREMIUM - MOTORCYCLES

I. EARNED PREMIUM AT COLLECTED LEVEL (a) (b)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Motorcycle Liability	\$ 24,088,408	\$ 27,043,109	\$ 26,109,892

II. EARNED PREMIUM AT CURRENT LEVEL (a) (b)

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Motorcycle Liability	\$ 18,595,287	\$ 21,046,219	\$ 21,306,493

a) Earned premium at collected level are the earned premiums shown on page F-153. Earned premium at current level are the earned premium at collected level adjusted to a current level.

(b) Voluntary and ceded business combined.

NORTH CAROLINA
CEDED
PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

<u>Year</u>	<u>Paid Losses (a)</u>	<u>Incurred Losses (a)</u>
		Bodily Injury
12/31/2004	95,717,379	105,382,571
12/31/2005	78,391,150	99,694,164
12/31/2006	46,473,141	94,078,049
		Property Damage
12/31/2004	76,084,897	76,168,250
12/31/2005	76,432,698	76,651,043
12/31/2006	79,251,448	81,287,840
		Medical Payments
12/31/2004	8,097,209	8,150,691
12/31/2005	7,891,040	8,026,111
12/31/2006	7,421,880	8,414,617

(a) Paid and incurred losses are for ceded business written at Facility rates only. Losses are undeveloped and on a total limits basis, and do not include unallocated loss adjustment expense. These expenses are reflected via a factor. For Bodily Injury and Medical Payments, these factors are 11.3%, 12.8%, and 12.7% for year ended 12/31/2004, 12/31/2005 and 12/31/2006 respectively. For Property Damage, these factors for each year are 12.6%, 12.2% and 11.1% respectively. See page F-152.

NORTH CAROLINA
ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS
CEDED

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2004</u>	<u>12/31/2005</u>	<u>12/31/2006</u>
Bodily Injury	.788	.778	.769
Property Damage	.793	.791	.772
Medical Payments	.766	.811	.770
Motorcycle Liability	.565	.572	.755

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

EXCLUDED COMPANIES

(The marketshare for each company mentioned, based on the total 2006 page 15 private passenger automobile written premium unless otherwise indicated, is found in parentheses after the company name.)

Universal Insurance Co. (0.79%) has been excluded from loss development for all years. Their data were inaccurately reported to their statistical agent.

ISO Minimum Plan companies have been excluded from trend and loss development. Data reported under this plan is not available in sufficient detail to allow its inclusion. The companies which reported data under this plan for 2004-2006 are St. Paul Fire and Marine Insurance Co. (0.00%), St. Paul Mercury Insurance Co. (0.00%), St. Paul Guardian Insurance Co. (0.00%), American Southern Insurance Co. (0.07%), Builders Mutual Insurance Company (0.01%), Church Mutual Insurance Company (0.00%), Merastar Insurance Co. (0.03%), and Yasuda Fire and Marine insurance Co. (0.00%).

Ohio Casualty Insurance Co. (0.16%) has been excluded from the loss development split between voluntary and ceded business for the 1993, 1994, and 1995 accident years. They did not properly distinguish between voluntary and ceded business in their reporting of the 1993, 1994, and 1995 accident years.

Great American Insurance Co. (0.00%), American Alliance Insurance Co. (0.00%), American Spirit Insurance Co. (0.00%), Eagle American Insurance Co. (0.00%), American National Fire Insurance Co. (0.00%), Worldwide Insurance Company (0.0%), and Agricultural Insurance Co. (0.00%) have been excluded from loss development for 2000 and prior. Their data were inaccurately reported to their statistical agent, and corrected data were not provided.

United Services Automobile Association (2.44%), USAA Casualty Insurance Company (1.57%), USAA General Indemnity (0.26%), Pennsylvania National Casualty Insurance Company (0.56%), Electric Insurance Company (0.07%), Cincinnati Insurance Co. (0.08%), Insurance Corporation of Hannover (0.00%), Harbor Specialty Insurance Company (0.0%), Safeco Insurance Co. (0.00%), Safeco Insurance Company of America (0.06%), First National Insurance Company of America (0.09%), Auto Owners Insurance Co. (0.58%), Owners Insurance Co. (0.22%), Mutual Service Casualty Insurance Co. (0.00%), and companies from the Hartford Insurance Group (0.83%) have been deleted for all rate levels. Their data were inaccurately reported to their statistical agents.

The increased limits review is contained in Section E.

See also prefiled testimony of P. Woods.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
ADJUSTMENTS TO PREMIUMS AND LOSSES

The losses were adjusted by loss development factors to place them on an ultimate settlement basis. The factors used and their application are shown on pages C-1, C-3, and C-5.

PREMIUM AT PRESENT RATES CALCULATION

The liability earned premium at manual rates by coverage is calculated by the following formula within each class, by territory.

EPMR = Exposures by Class x Territory Base Rate x [Class Rating Factor + Safe Driver Insurance Plan Factor] x Average Airbag Discount* x Average Increased Limits Factor*

* For Medical Payments only

These EPMR's are then summed over all classes and territories to generate the statewide earned premium at manual rates shown on page F-3.

A sample calculation of the earned premium at manual rates for a single class and territory combination is shown below for Bodily Injury in Territory 11 for Work less than 10 miles and one SDIP point (Class 116101)

Bodily Injury

(1) Earned exposures	50
(2) Bodily Injury territory 11 30/60 base rate	177
(3) Class rating factor	1.050
(4) SDIP factor	0.250
(5) Combined rating factor (3)+(4)	1.300
(6) Premium at manual rates (1)x(2)x(5)	\$11,505

EXHIBIT (1) (e)

TOP TEN AUTOMOBILE INSURANCE WRITERS

COMPANY NAME	2006		2006 (a)		2006	
	WRITTEN PREMIUM	WRITTEN PREMIUM MARKET SHARE	EARNED PREMIUM	EARNED PREMIUM MARKET SHARE	WRITTEN PREMIUM MARKET SHARE	EARNED PREMIUM MARKET SHARE
STATE FARM MUTUAL AUTO INS CO	554,428,316	13.17%	553,202,775	13.19%	553,202,775	13.19%
NATIONWIDE MUTUAL INS CO	486,761,059	11.56%	502,892,964	11.99%	502,892,964	11.99%
N C FARM BUREAU MUTUAL INS CO	367,170,285	8.72%	370,328,514	8.83%	370,328,514	8.83%
INTEGON NATIONAL INS CO	327,497,067	7.78%	315,718,320	7.53%	315,718,320	7.53%
ALLSTATE INDEMNITY COMPANY	267,054,563	6.34%	260,004,393	6.20%	260,004,393	6.20%
ALLSTATE INSURANCE COMPANY	207,889,898	4.94%	213,148,267	5.08%	213,148,267	5.08%
GOVERNMENT EMPLOYEES INS CO	171,359,965	4.07%	163,627,225	3.90%	163,627,225	3.90%
NATIONWIDE PROP & CAS INS CO	168,873,076	4.01%	148,302,762	3.54%	148,302,762	3.54%
NATIONWIDE MUTUAL FIRE INS CO	151,636,941	3.60%	167,044,810	3.98%	167,044,810	3.98%
UNITED SERVICES AUTOMOBILE ASSOC	105,359,181	2.50%	105,457,555	2.52%	105,457,555	2.52%
TOTAL	\$ 2,808,030,151	66.68%	\$ 2,799,727,585	66.78%	\$ 2,799,727,585	66.78%
Grand Total	\$ 4,211,030,975		\$ 4,192,524,523		\$ 4,192,524,523	

(a) Per the 2006 Annual Statement, Statutory Page 14.

PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,424,970	645,890	701,353	1,369,507
2 Allied lines	825,591	372,880	418,637	779,834
3 Farmowners	313,069	142,218	151,268	304,019
4 Homeowners	18,117,650	9,258,329	9,787,015	17,588,963
5 Comm multi peril	7,975,636	3,631,628	3,794,895	7,812,370
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	283,717	122,546	128,550	277,713
9 Inland marine	1,659,875	687,329	746,266	1,600,937
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	93,500	32,981	37,078	89,403
12 Earthquake	202,271	90,036	100,824	191,483
13 Group A & H	1,123,760	36,729	52,598	1,107,892
14 Credit A & H	8,173	13,153	15,983	5,342
15 Other A & H	1,257,202	734,299	908,931	1,082,570
16 Worker's comp	9,317,421	2,340,542	2,512,604	9,145,359
17 Other liability	6,863,618	3,786,198	3,752,611	6,897,206
18 Products liability	491,212	166,059	190,610	466,661
19 Auto liability	56,543,427	16,830,194	17,094,025	56,279,596
21 Auto phys. damage	37,166,164	10,808,547	11,002,675	36,972,036
22 Aircraft	294,125	86,783	97,809	283,100
23 Fidelity	162,814	90,862	89,816	163,860
24 ety	456,646	227,814	269,453	415,008
26 burglary + theft	16,716	9,183	9,395	16,504
27 Boiler and machinery	95,549	43,604	44,646	94,507
28 Credit	7,724	5,944	5,675	7,993
29 International	39,874	20,240	20,017	40,097
30 Reinsurance	1,006,184	29,132	19,687	1,015,629
31 Miscellaneous	45,752	93,769	83,445	56,076
32 TOTALS	145,792,640	50,307,029	52,036,005	144,063,665

PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,305,632	574,843	631,927	1,248,548
2 Allied lines	759,017	337,173	380,630	715,560
3 Farmowners	317,963	144,433	153,611	308,785
4 Homeowners	17,317,837	8,834,843	9,342,035	16,810,646
5 Comm multi peril	6,066,901	2,744,172	2,878,159	5,932,913
6 Mortgage guaranty	0	140	140	0
8 Ocean marine	278,526	122,764	128,754	272,536
9 Inland marine	1,381,487	570,781	622,533	1,329,735
10 Financial guaranty	-0	-0	0	-1
11 Medical malpractice	47,762	11,548	15,705	43,606
12 Earthquake	188,196	83,791	93,880	178,107
13 Group A & H	1,123,764	36,729	52,596	1,107,897
14 Credit A & H	8,173	13,153	15,983	5,342
15 Other A & H	1,257,109	734,435	909,050	1,082,494
16 Worker's comp	7,430,473	1,758,946	1,896,598	7,292,821
17 Other liability	5,802,472	3,255,449	3,214,147	5,843,774
18 Products liability	385,976	133,088	146,149	372,915
19 Auto liability	54,507,180	15,802,603	16,060,108	54,249,675
21 Auto phys. damage	36,218,145	10,302,242	10,497,685	36,022,702
22 Aircraft	290,835	83,687	96,147	278,375
23 Fidelity	125,826	64,557	63,195	127,187
24 Fidelity	273,020	143,113	161,559	254,573
26 Burglary + theft	11,402	6,731	6,327	11,806
27 Boiler and machinery	87,424	39,009	39,938	86,495
28 Credit	7,735	5,961	5,683	8,013
29 International	39,623	20,268	20,042	39,849
30 Reinsurance	994,509	27,966	18,719	1,003,756
31 Miscellaneous	45,752	93,769	83,445	56,076
32 TOTALS	136,272,738	45,946,193	47,534,746	134,684,185

PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA

TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage			Net Payments	Net Losses Unpaid Current Year	Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded				
1 Fire	924,109	835,078	1,289,805	469,383	460,898	438,205	492,075
2 Allied lines	2,265,624	2,269,581	3,881,498	653,707	397,963	510,113	541,557
3 Farmowners	134,347	106,860	86,527	154,679	93,903	88,537	160,045
4 Homeowners	7,921,187	8,946,453	7,584,215	9,283,426	4,531,615	5,718,254	8,096,786
5 Comm multi peril	3,086,719	4,529,555	4,109,522	3,506,752	5,796,415	5,689,003	3,614,164
6 Mortgage guaranty	0	0	0	0	0	0	0
8 Ocean marine	263,728	496,108	599,118	160,717	216,143	232,840	144,020
9 Inland marine	1,482,131	1,074,398	1,765,727	790,802	428,779	476,157	743,424
10 Financial guaranty	0	-45	0	-45	1,765	1,837	-117
11 Medical malpractice	28,227	366,280	246,569	147,938	427,871	501,234	74,576
12 Earthquake	2,265	5,381	3,407	4,240	8,695	20,068	-7,133
13 Group A & H	382,503	528,441	177,759	733,185	167,417	186,988	713,614
14 Credit A & H	2,981	0	38	2,943	3,817	3,761	2,999
15 Other A & H	595,409	51,440	62,863	583,986	543,042	530,784	596,244
16 Worker's comp	3,176,835	5,995,064	5,544,765	3,627,134	19,957,405	17,499,053	6,085,486
17 Other liability	2,377,230	4,844,652	4,439,593	2,782,289	14,106,685	13,079,255	3,809,718
18 Products liability	193,718	375,017	419,384	149,352	2,666,364	2,746,903	68,813
19 Auto liability	27,391,369	17,117,836	11,734,075	32,775,130	42,147,505	42,082,322	32,840,313
21 Auto phys. damage	17,184,934	9,591,060	6,135,012	20,640,982	1,963,439	2,100,448	20,503,974
22 Aircraft	166,738	233,372	303,083	97,026	286,744	272,938	110,833
23 Fidelity	33,467	96,885	69,576	60,776	192,540	141,370	111,946
24 Surety	76,723	213,725	211,971	78,477	355,719	320,892	113,304
26 Burglary + theft	1,847	2,343	2,172	2,018	6,328	9,672	-1,327
27 Boiler and machinery	20,623	76,236	70,961	25,899	48,450	45,150	29,199
28 Credit	8,415	1,877	3,660	6,632	4,237	4,940	5,929
29 International	14,920	48,391	24,499	38,812	149,639	164,430	24,021
30 Reinsurance	0	1,783,826	618,116	1,165,710	2,022,051	2,901,208	286,552
31 Miscellaneous	1,379	88,232	46,080	43,530	9,569	8,826	44,273
32 TOTALS	67,737,429	59,678,045	49,429,996	77,985,478	96,994,998	95,775,187	79,205,288

PERSONAL AUTO LIABILITY INSURANCE
 AGGREG. ANNUAL STATEMENT DATA

TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage			Net Losses		Net Losses		Losses	
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments	Unpaid Current Year	Unpaid Previous Year	Unpaid Current Year	Incurred Current Year	
1 Fire	578,892	724,976	902,521	401,347	415,418	385,587	431,177	431,177	
2 Allied lines	2,039,373	2,177,101	3,615,190	601,284	385,487	492,583	494,188	494,188	
3 Farmowners	125,587	102,396	71,530	156,453	94,911	89,698	161,666	161,666	
4 Homeowners	7,377,374	8,305,852	6,823,553	8,859,673	4,332,691	5,584,792	7,607,572	7,607,572	
5 Comm multi peril	2,141,755	3,785,704	3,169,815	2,757,643	4,325,788	4,450,448	2,632,983	2,632,983	
6 Mortgage guaranty	0	0	0	0	0	0	0	0	
8 Ocean marine	293,917	498,705	630,722	161,899	213,600	229,662	145,838	145,838	
9 Inland marine	1,288,711	992,254	1,590,147	690,818	382,969	441,662	632,125	632,125	
10 Financial guaranty	0	-45	0	-45	1,765	1,837	-117	-117	
11 Medical malpractice	11,239	374,758	246,327	139,670	363,976	442,036	61,610	61,610	
12 Earthquake	2,274	5,292	3,380	4,186	8,453	21,034	-8,396	-8,396	
13 Group A & H	358,321	528,344	153,577	733,088	167,078	186,617	713,549	713,549	
14 Credit A & H	2,981	0	38	2,943	3,817	3,761	2,999	2,999	
15 Other A & H	595,299	51,554	62,757	584,096	542,458	529,572	596,982	596,982	
16 Worker's comp	2,253,136	4,812,852	4,210,950	2,855,038	16,137,639	14,114,090	4,878,587	4,878,587	
17 Other liability	1,857,640	4,474,155	3,798,001	2,533,794	11,948,921	11,168,742	3,313,974	3,313,974	
18 Products liability	138,561	368,117	361,258	145,420	2,452,453	2,595,821	2,052	2,052	
19 Auto liability	25,818,976	15,857,337	10,001,641	31,674,672	40,167,627	40,226,390	31,615,909	31,615,909	
21 Auto phys. damage	16,511,640	9,020,385	5,349,310	20,182,715	1,940,884	2,095,963	20,027,636	20,027,636	
22 Aircraft	124,820	210,761	243,108	92,472	282,062	261,229	113,305	113,305	
23 Fidelity	21,008	96,046	63,665	53,389	170,452	125,086	98,755	98,755	
24 Surety	40,268	215,880	193,030	63,118	317,544	290,872	89,790	89,790	
26 Burglary + theft	1,142	2,423	1,830	1,735	5,506	6,191	1,050	1,050	
27 Boiler and machinery	14,005	74,787	67,341	21,451	43,401	43,147	21,705	21,705	
28 Credit	10,418	1,921	5,663	6,677	4,763	5,210	6,230	6,230	
29 International	14,920	34,463	15,547	33,836	126,503	143,555	16,784	16,784	
30 Reinsurance	0	1,476,502	411,155	1,065,346	1,707,472	2,502,915	269,904	269,904	
31 Miscellaneous	1,379	88,234	46,080	43,532	9,569	9,094	44,007	44,007	
32 TOTALS	61,623,635	54,280,754	42,038,138	73,866,251	86,553,207	86,447,595	73,971,863	73,971,863	

2006 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ 471,194	\$ 2,256,484,695	\$ 1,726,356,441
Earned Premium	220,091	2,195,982,663	1,757,385,877
Dividends	0	5,009,679	4,562,392
Unearned Prem Reserves	251,103	641,013,898	461,846,164
Losses Paid	78,890	1,492,943,162	939,136,077
Losses Incurred	191,872	1,623,398,256	942,281,934
Losses Unpaid	122,756	1,381,322,630	77,301,917
Alloc. Adj. Exp. Paid	615	35,298,441	3,599,665
Alloc Adj. Exp. Incurred	3,994	30,916,900	4,158,764
Alloc. Adj. Exp. Unpaid	3,095	124,697,542	3,918,584
Commissions	56,627	220,676,971	177,862,472
Taxes	37,163	47,032,541	35,186,893

2005 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ -15	\$ 2,155,032,359	\$ 1,763,768,932
Earned Premium	6,484	2,155,501,460	1,743,234,141
Dividends	0	4,728,903	4,012,405
Unearned Prem Reserves	-6	590,413,355	495,477,790
Losses Paid	1,570,047	1,433,248,688	863,216,406
Losses Incurred	1,985,923	1,491,465,361	856,346,408
Losses Unpaid	2,786,527	1,363,207,748	78,111,928
Alloc. Adj. Exp. Paid	365,052	33,400,750	1,837,603
Alloc Adj. Exp. Incurred	529,465	38,764,977	1,138,744
Alloc. Adj. Exp. Unpaid	608,069	134,298,324	3,444,562
Commissions	120,131	216,905,243	179,927,857
Taxes	-380,559	49,001,628	39,580,327

(a) Top 50 Writers

NORTH CAROLINA
COMPARISON OF ANNUAL STATEMENT AND FILING INFORMATION

LIABILITY

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2004	1,598,924,786	2,119,188,172	184,642,848	260,910,004
2005	1,575,388,913	2,268,296,335	181,388,609	269,863,431
2006	1,703,407,276	2,316,658,861	190,626,971	272,635,276

The data are not comparable for the following reasons:

- Annual Statement losses and premiums include Voluntary and Facility data. Filing data are for ceded business written at Other-Than-Clean Risk rates only for Bodily Injury, Property Damage and Medical Payments.
- Annual Statement premium is at total limits collected level. Filing premium is at basic limits current level for Bodily Injury and Property Damage, and on a total limits current level for Medical Payments.
- Annual Statement losses are on a total limits basis and do not include any loss adjustment expenses. Filing losses are on a basic limits basis (total limits for Medical Payments) and include allocated loss adjustment expense only.
- Annual statement losses include reserves for incurred but not reported claims. Filing losses are developed to an ultimate basis and therefore reflect reserves for incurred but not reported claims.

NORTH CAROLINA
CEDED FILING
EXPECTED LOSS RATIOS

Private Passenger Auto	10/1/2005 Implementation	10/1/2006 Implementation	10/1/2007 Implementation
Bodily Injury	.772	.721	.749
Property Damage	.772	.756	.767
Medical Payments	.766	.783	.767
Motorcycle Liability	.771	.729	.691

Bodily Injury

<u>Accident Year</u>	<u>Total Limits Paid Losses(a)</u>	<u>Total Limits Reserves(a)</u>	<u>Total Limits Loss Dev.(b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	95,717,379	9,665,192	1.017	107,174,075
12/31/2005	78,391,150	21,303,014	1.066	106,273,979
12/31/2006	46,473,141	47,604,908	1.175	110,541,708

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp.(c)</u>	<u>Loss Trend Factors(d)</u>	<u>LAE Trend Factors(d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	11,355,539	1.062	1.166	127,059,426
12/31/2005	12,292,584	1.075	1.131	128,147,440
12/31/2006	12,451,146	1.056	1.097	130,390,951

Property Damage

<u>Accident Year</u>	<u>Total Limits Paid Losses(a)</u>	<u>Total Limits Reserves(a)</u>	<u>Total Limits Loss Dev.(b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	76,084,897	83,353	1.001	76,244,418
12/31/2005	76,432,698	218,345	1.008	77,264,251
12/31/2006	79,251,448	2,036,392	1.027	83,482,612

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp.(c)</u>	<u>Loss Trend Factors(d)</u>	<u>LAE Trend Factors(d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	9,565,788	1.072	1.166	92,887,725
12/31/2005	9,409,189	1.087	1.131	94,628,034
12/31/2006	9,267,476	1.062	1.097	98,824,955

Medical Payments

<u>Accident Year</u>	<u>Total Limits Paid Losses(a)</u>	<u>Total Limits Reserves(a)</u>	<u>Total Limits Loss Dev.(b)</u>	<u>Total Limits Dev. Losses</u>
12/31/2004	8,097,209	53,482	1.007	8,207,746
12/31/2005	7,891,040	135,071	1.021	8,194,659
12/31/2006	7,421,880	992,737	1.078	9,070,957

<u>Accident Year</u>	<u>Unallocated Loss Adj. Exp.(c)</u>	<u>Loss Trend Factors(d)</u>	<u>LAE Trend Factors(d)</u>	<u>Trended Incurred Losses and LAE</u>
12/31/2004	930,261	0.922	1.166	8,652,226
12/31/2005	1,053,222	0.968	1.131	9,123,624
12/31/2006	1,155,151	0.985	1.097	10,202,093

- (a) Data on a paid/reserve basis is available only for total limits. See page F-5.
- (b) See pages F-43, F-44, and F-45.
- (c) See pages C-1, C-3, and C-5 for the unallocated loss adjustment expense factors.
- (d) Using selected trends on page D-6.

The following pages F-21-32 contain North Carolina private passenger data by territory for years ended December 31, 2004, 2005, and 2006.

Liability data is for voluntary and ceded risks. Losses are not developed and include allocated loss adjustment expense only. Excess is calculated on a 30/60/25 basis.

See also pages C-7-8.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2004	103828	12744418	7780437	1621079	1344	5789	1.29	74.94
	2005	107926	13373169	6453335	1470906	1362	4738	1.26	59.79
	2006	111047	13836989	6893108	2002095	1354	5091	1.22	62.07
	Total	322801	39954576	21126880	5094080	4060	5204	1.26	65.45
13 Durham	2004	132950	24720977	15428462	2867640	2401	6426	1.81	116.05
	2005	135502	25424114	14045481	2404595	2356	5962	1.74	103.66
	2006	137456	25830219	12688608	3004174	2411	5263	1.75	92.31
	Total	405908	75975310	42162551	8276409	7168	5882	1.77	103.87
14 Greensboro-Hamilton Lakes	2004	148110	26353588	15745729	3144193	2630	5987	1.78	106.31
	2005	150274	26923821	13873004	1935049	2400	5780	1.60	92.32
	2006	152149	27280064	14590824	2496009	2589	5636	1.70	95.90
	Total	450533	80557473	44209557	7575251	7619	5803	1.69	98.13
15 High Point	2004	49423	9348071	5928286	1629963	1054	5625	2.13	119.95
	2005	49936	9529932	5552819	851548	959	5790	1.92	111.20
	2006	49822	9398226	4334829	294534	875	4954	1.76	87.01
	Total	149181	28276229	15815934	2776045	2888	5476	1.94	106.02
16 Raleigh	2004	362142	61065279	36570763	7559371	5784	6323	1.60	100.98
	2005	378669	63759026	36942296	7440381	5634	6557	1.49	97.56
	2006	396872	66728080	34082298	6514733	5954	5724	1.50	85.88
	Total	1137683	191552385	107595357	21514485	17372	6194	1.53	94.57

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	132961	26585858	16146588	3374137	2524	6397	1.90	121.44
	2005	140115	28208766	15721440	3115849	2495	6301	1.78	112.20
	2006	145324	29211418	14794982	2022403	2446	6049	1.68	101.81
	Total	418400	84006042	46663010	8512389	7465	6251	1.78	111.53
18 Winston-Salem	2004	152418	21822867	13600107	2773002	2299	5916	1.51	89.23
	2005	155530	22657784	13766084	3869849	2455	5607	1.58	88.51
	2006	159271	23430406	12591259	1924507	2291	5496	1.44	79.06
	Total	467219	67911057	39957450	8567358	7045	5672	1.51	85.52
24 Western Territories	2004	1983419	266101721	146798079	33558267	24041	6106	1.21	74.01
	2005	2034356	276059741	146158718	34930497	23789	6144	1.17	71.85
	2006	2066500	277701578	143042881	30127603	24618	5810	1.19	69.22
	Total	6084275	819863040	435999678	98616367	72448	6018	1.19	71.66
25 Gaston County	2004	131414	21110977	14561079	1678393	2520	5778	1.92	110.80
	2005	134593	21982867	15711915	2061921	2614	6011	1.94	116.74
	2006	136978	22573871	13338011	1577392	2584	5162	1.89	97.37
	Total	402985	65667715	43611005	5317706	7718	5651	1.92	108.22
26 Southern Territories	2004	435938	82892995	58470718	10669687	7762	7533	1.78	134.13
	2005	452651	86353791	52704734	10120969	7329	7191	1.62	116.44
	2006	464301	91613741	51148438	8661752	7927	6452	1.71	110.16
	Total	1352890	260860527	162323890	29452408	23018	7052	1.70	119.98

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	286356	50711637	29996279	6276140	4680	6409	1.63	104.75
	2005	301459	53422330	29717704	4786599	4671	6362	1.55	98.58
	2006	310939	54786563	27633145	4372843	4799	5758	1.54	88.87
	Total	898754	158920530	87347128	15435582	14150	6173	1.57	97.19
32 Guilford, Buncombe, etc.	2004	630423	90548881	50556508	11032662	8680	5824	1.38	80.19
	2005	650503	94097526	48165870	10417066	8330	5782	1.28	74.04
	2006	666538	95243290	48761504	10764085	8891	5484	1.33	73.16
	Total	1947464	279889697	147483882	32213813	25901	5694	1.33	75.73
33 Eastern Territories	2004	742041	123731947	76068691	14266404	10716	7099	1.44	102.51
	2005	762516	128054296	72138092	13034505	10404	6934	1.36	94.61
	2006	773114	129881522	64936889	10717753	10517	6174	1.36	83.99
	Total	2277671	381667765	213143672	38018662	31637	6737	1.39	93.58
40 Fayetteville	2004	184972	38735339	24821695	3188824	4374	5675	2.36	134.19
	2005	186244	37701446	23634979	3364944	4086	5784	2.19	126.90
	2006	188976	38382720	25086791	3575512	4374	5735	2.31	132.75
	Total	560192	114819505	73543465	10129280	12834	5730	2.29	131.28
41 Onslow County	2004	100283	19033994	10826365	1050131	1644	6585	1.64	107.96
	2005	103547	18823762	10332833	1591506	1588	6507	1.53	99.79
	2006	106748	19019330	10390644	870042	1642	6328	1.54	97.34
	Total	310578	56877086	31549842	3511679	4874	6473	1.57	101.58

Notes:
 (1) Not under fleet plan.
 (2) Premiums include charges for excess limits for Bodily Injury.
 (3) Claim frequency is per 100 cars.
 (4) Basic limits.
 (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 BODILY INJURY

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	71887	11956166	8184901	1615514	1140	7180	1.59	113.86
	2005	73820	12152418	6231077	662691	995	6262	1.35	84.41
	2006	75126	12338233	6508907	1220456	1007	6464	1.34	86.64
	Total	220833	36446817	20924885	3498661	3142	6660	1.42	94.75
47 Wayne County	2004	83447	14093375	8472246	1622886	1283	6603	1.54	101.53
	2005	85330	14260955	9135479	1938208	1363	6702	1.60	107.06
	2006	85447	14216583	7703082	1741439	1253	6148	1.47	90.15
	Total	254224	42570913	25310807	5302533	3899	6492	1.53	99.56
51 Mecklenburg County Remainder	2004	55521	8183771	3959346	1136176	735	5387	1.32	71.31
	2005	59552	8835074	4585859	1081772	835	5492	1.40	77.01
	2006	69740	10589539	5466026	1120066	1058	5166	1.52	78.38
	Total	184813	27608384	14011231	3338014	2628	5332	1.42	75.81
52 Charlotte	2004	426951	82705159	49705843	20298851	9443	5264	2.21	116.42
	2005	443741	86695096	51278082	7807172	9533	5379	2.15	115.56
	2006	454379	88411876	50076740	4750722	9784	5118	2.15	110.21
	Total	1325071	257812131	151060665	32856745	28760	5252	2.17	114.00
Statewide Totals	2004	6214484	992447020	593622122	129363320	95054	6245	1.53	95.52
	2005	6406264	1028315914	576149801	112886027	93198	6182	1.45	89.94
	2006	6550727	1050474248	554068966	97758120	96374	5749	1.47	84.58
	Total	19171475	3071237182	1723840889	340007467	284626	6057	1.48	89.92

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits for Bodily Injury.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2004	103828	13727909	9601520	46056	4565	2103	4.40	92.48
	2005	107926	14380032	9936126	72428	4570	2174	4.23	92.06
	2006	111047	14688848	10501391	32645	4600	2283	4.14	94.57
	Total	322801	42796789	30039037	151129	13735	2187	4.25	93.06
13 Durham	2004	132950	21727814	15239549	97440	6600	2309	4.96	114.63
	2005	135502	22219794	15217990	59699	6427	2368	4.74	112.31
	2006	137456	22435048	15108860	112722	6112	2472	4.45	109.92
	Total	405908	66382656	45566399	269861	19139	2381	4.72	112.26
14 Greensboro-Hamilton Lakes	2004	148110	23923498	16054605	81325	7300	2199	4.93	108.40
	2005	150274	24288965	15465173	144440	7075	2186	4.71	102.91
	2006	152149	24396508	16599278	74658	7192	2308	4.73	109.10
	Total	450533	72608971	48119056	300423	21567	2231	4.79	106.80
15 High Point	2004	49423	7656046	5086762	43786	2382	2136	4.82	102.92
	2005	49936	7715900	5089581	56325	2329	2185	4.66	101.92
	2006	49822	7632844	4823626	19244	2172	2221	4.36	96.82
	Total	149181	23004790	14999969	119355	6883	2179	4.61	100.55
16 Raleigh	2004	362142	59774310	40531289	142816	16665	2432	4.60	111.92
	2005	378669	62107696	41905381	358725	17002	2465	4.49	110.66
	2006	396872	63951423	43433438	446101	16981	2558	4.28	109.44
	Total	1137683	185833429	125870108	947642	50648	2485	4.45	110.64

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	132961	20671036	15416934	100240	6229	2475	4.68	115.95
	2005	140115	21785899	16409939	118752	6410	2560	4.57	117.12
	2006	145324	22475236	16056688	76526	6156	2608	4.24	110.49
	Total	418400	64932171	47883561	295518	18795	2548	4.49	114.44
18 Winston-Salem	2004	152418	20821152	14099747	14749	7035	2004	4.62	92.51
	2005	155530	21433895	15256116	99780	7137	2138	4.59	98.09
	2006	159271	21918282	14467545	132997	6713	2155	4.21	90.84
	Total	467219	64173329	43823408	247526	20885	2098	4.47	93.80
24 Western Territories	2004	1983419	235353173	150589580	1024648	67159	2242	3.39	75.92
	2005	2034356	242307684	152051811	1323558	67058	2267	3.30	74.74
	2006	2066500	241723807	157289765	1189000	67395	2334	3.26	76.11
	Total	6084275	719384664	459931156	3537206	201612	2281	3.31	75.59
25 Gaston County	2004	131414	19293077	13339095	97381	5962	2237	4.54	101.50
	2005	134593	19796266	14063489	63618	6073	2316	4.51	104.49
	2006	136978	19892886	13578965	69921	5929	2290	4.33	99.13
	Total	402985	58982229	40981549	230920	17964	2281	4.46	101.69
26 Southern Territories	2004	435938	54108087	36946144	131436	15386	2401	3.53	84.75
	2005	452651	55672924	36487694	245242	15305	2384	3.38	80.61
	2006	464301	57306406	38964572	363095	15546	2506	3.35	83.92
	Total	1352890	167087417	112398410	739773	46237	2431	3.42	83.08

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	286356	40183747	26794146	189307	11571	2316	4.04	93.57
	2005	301459	42063485	28392713	206303	12175	2332	4.04	94.18
	2006	310939	43016091	29598838	259989	11837	2501	3.81	95.19
	Total	898754	125263323	84785697	655599	35583	2383	3.96	94.34
32 Guilford, Buncombe, etc.	2004	630423	81445974	54162120	332426	24233	2235	3.84	85.91
	2005	650503	84066042	54838142	419444	23856	2299	3.67	84.30
	2006	666538	84573428	55780218	303420	24297	2296	3.65	83.69
	Total	1947464	250085444	164780480	1055290	72386	2276	3.72	84.61
33 Eastern Territories	2004	742041	83266653	57464757	490845	24536	2342	3.31	77.44
	2005	762516	85337565	57014290	390402	23891	2386	3.13	74.77
	2006	773114	86604564	58249269	556825	23983	2429	3.10	75.34
	Total	2277671	255208782	172728316	1438072	72410	2385	3.18	75.84
40 Fayetteville	2004	184972	29544777	21819500	73758	9521	2292	5.15	117.96
	2005	186244	28907290	20999478	12485	9093	2309	4.88	112.75
	2006	188976	29724022	21910774	52271	9046	2422	4.79	115.94
	Total	560192	88176089	64729752	138514	27660	2340	4.94	115.55
41 Onslow County	2004	100283	15570613	10891564	106019	4454	2445	4.44	108.61
	2005	103547	15443467	11072267	80127	4549	2434	4.39	106.93
	2006	106748	16051522	11992345	90068	4552	2635	4.26	112.34
	Total	310578	47065602	33956176	276214	13555	2505	4.36	109.33

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 PROPERTY DAMAGE

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	71887	8447370	6307560	65885	2644	2386	3.68	87.74
	2005	73820	8547658	5884187	16356	2586	2275	3.50	79.71
	2006	75126	8924721	6379135	9516	2621	2434	3.49	84.91
	Total	220833	25919749	18570882	91757	7851	2365	3.56	84.09
47 Wayne County	2004	83447	10409093	6761278	21969	3015	2243	3.61	81.02
	2005	85330	10519620	6950670	38094	3038	2288	3.56	81.46
	2006	85447	10441936	6619841	34754	2795	2368	3.27	77.47
	Total	254224	31370649	20331789	94817	8848	2298	3.48	79.98
51 Mecklenburg County Remainder	2004	55521	7837674	5611217	24547	2431	2308	4.38	101.06
	2005	59552	8408240	6161783	54177	2576	2392	4.33	103.47
	2006	69740	10113466	7356031	86524	2943	2500	4.22	105.48
	Total	184813	26359380	19129031	165248	7950	2406	4.30	103.50
52 Charlotte	2004	426951	74628632	50995877	432524	22421	2274	5.25	119.44
	2005	443741	77474786	53337698	280595	22533	2367	5.08	120.20
	2006	454379	77778537	53546940	211218	22428	2388	4.94	117.85
	Total	1325071	229881955	157880515	924337	67382	2343	5.09	119.15
Statewide Totals	2004	6214484	828390635	557713244	3517157	244109	2285	3.93	89.74
	2005	6406264	852477208	566534528	4040550	243683	2325	3.80	88.43
	2006	6550727	863649575	582257519	4121494	243298	2393	3.71	88.88
	Total	19171475	2544517418	1706505291	11679201	731090	2334	3.81	89.01

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
AUTOMOBILE LIABILITY EXPERIENCE (1)
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2004	66898	1280573	694991	317247	586	1186	0.88	10.39
	2005	69744	1339738	630472	302181	585	1078	0.84	9.04
	2006	73195	1382939	606630	390006	557	1089	0.76	8.29
	Total	209837	4003250	1932093	1009434	1728	1118	0.82	9.21
13 Durham	2004	90393	2498123	1267682	641161	1240	1022	1.37	14.02
	2005	92602	2567996	1118793	670575	1198	934	1.29	12.08
	2006	94775	2555277	1100756	609571	1046	1052	1.10	11.61
	Total	277770	7621396	3487231	1921307	3484	1001	1.25	12.55
14 Greensboro-Hamilton Lakes	2004	102833	2822754	1480400	638401	1396	1060	1.36	14.40
	2005	104189	2856578	1286856	960700	1303	988	1.25	12.35
	2006	105980	2766808	1448158	658808	1315	1101	1.24	13.66
	Total	313002	8446140	4215414	2257909	4014	1050	1.28	13.47
15 High Point	2004	35127	1045639	563829	272676	567	994	1.61	16.05
	2005	35710	1058022	637659	263695	607	1051	1.70	17.86
	2006	35698	1003837	593487	256041	509	1166	1.43	16.63
	Total	106535	3107498	1794975	792412	1683	1067	1.58	16.85
16 Raleigh	2004	274259	6948763	3769894	1991803	3288	1147	1.20	13.75
	2005	287747	7215252	3845863	1960536	3248	1184	1.13	13.37
	2006	303241	7380921	3868141	2015827	3240	1194	1.07	12.76
	Total	865247	21544936	11483898	5968166	9776	1175	1.13	13.27

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
AUTOMOBILE LIABILITY EXPERIENCE (1)
PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2004	91025	2812289	1690024	725168	1335	1266	1.47	18.57
	2005	96266	2967710	1552578	735845	1332	1166	1.38	16.13
	2006	100758	2981409	1407404	652032	1253	1123	1.24	13.97
	Total	288049	8761408	4650006	2113045	3920	1186	1.36	16.14
18 Winston-Salem	2004	102625	2244007	1236891	492218	1176	1052	1.15	12.05
	2005	105380	2322473	1240767	439003	1202	1032	1.14	11.77
	2006	109622	2355717	1275617	575387	1248	1022	1.14	11.64
	Total	317627	6922197	3753275	1506608	3626	1035	1.14	11.82
24 Western Territories	2004	1514066	31254306	15605030	6246191	15670	996	1.03	10.31
	2005	1552864	32070549	15781083	6476064	15146	1042	0.98	10.16
	2006	1581439	31096661	15952851	6719481	14623	1091	0.92	10.09
	Total	4648369	94421516	47338964	19441736	45439	1042	0.98	10.18
25 Gaston County	2004	90744	2183150	1285084	494489	1221	1052	1.35	14.16
	2005	92872	2233750	1207074	529817	1255	962	1.35	13.00
	2006	94752	2197919	1217282	611296	1154	1055	1.22	12.85
	Total	278368	6614819	3709440	1635602	3630	1022	1.30	13.33
26 Southern Territories	2004	342672	9871294	6468609	1884437	6208	1042	1.81	18.88
	2005	355937	10163081	5857471	1832644	5607	1045	1.58	16.46
	2006	364724	10283927	6032508	2093180	5615	1074	1.54	16.54
	Total	1063333	30318302	18358588	5810261	17430	1053	1.64	17.27

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH- CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2004	224350	5929351	3685162	1270717	3378	1091	1.51	16.43
	2005	235626	6177741	3758540	1304816	3368	1116	1.43	15.95
	2006	243321	6169835	3625974	1372179	3128	1159	1.29	14.90
	Total	703297	18276927	11069676	3947712	9874	1121	1.40	15.74
32 Guilford, Buncombe, etc.	2004	474903	10393184	5712672	2559482	5342	1069	1.12	12.03
	2005	488668	10622664	5426811	2399526	5031	1079	1.03	11.11
	2006	502510	10390991	5545113	2430480	4989	1111	0.99	11.03
	Total	1466081	31406839	16684596	7389488	15362	1086	1.05	11.38
33 Eastern Territories	2004	643846	16172988	9857461	3136557	9335	1056	1.45	15.31
	2005	659294	16599338	9158951	2949538	8729	1049	1.32	13.89
	2006	666906	16169802	9220632	3135531	8506	1084	1.28	13.83
	Total	1970046	48942128	28237044	9221626	26570	1063	1.35	14.33
40 Fayetteville	2004	107770	3700458	1845679	987481	1926	958	1.79	17.13
	2005	108683	3647787	1809306	1016674	1829	989	1.68	16.65
	2006	111528	3585914	1742051	1235789	1835	949	1.65	15.62
	Total	327981	10934159	5397036	3239944	5590	965	1.70	16.46
41 Onslow County	2004	61093	1798881	921710	583633	808	1141	1.32	15.09
	2005	63813	1845488	777549	494268	737	1055	1.15	12.18
	2006	66893	1865275	773766	529097	702	1102	1.05	11.57
	Total	191799	5509644	2473025	1606998	2247	1101	1.17	12.89

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

NORTH CAROLINA
 AUTOMOBILE LIABILITY EXPERIENCE (1)
 PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS
 MEDICAL PAYMENTS

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2004	56691	1426749	854877	358758	868	985	1.53	15.08
	2005	58622	1470791	819570	363133	814	1007	1.39	13.98
	2006	60019	1441322	883119	484512	821	1076	1.37	14.71
	Total	175332	4338862	2557566	1206403	2503	1022	1.43	14.59
47 Wayne County	2004	67424	1729845	1051019	462271	1069	983	1.59	15.59
	2005	68531	1738121	1053913	397588	1064	991	1.55	15.38
	2006	68724	1654627	923924	385995	961	961	1.40	13.44
	Total	204679	5122593	3028856	1245854	3094	979	1.51	14.80
51 Mecklenburg County Remainder	2004	42234	970039	445507	294920	407	1095	0.96	10.55
	2005	45673	1044835	515875	268454	453	1139	0.99	11.29
	2006	53464	1176112	799548	474936	638	1253	1.19	14.95
	Total	141371	3190986	1760930	1038310	1498	1176	1.06	12.46
52 Charlotte	2004	284443	8620108	5605271	2838210	5111	1097	1.80	19.71
	2005	297210	9022318	5421649	2999809	5023	1079	1.69	18.24
	2006	307656	8904697	5733608	2926863	5292	1083	1.72	18.64
	Total	889309	26547123	16760528	8764882	15426	1087	1.73	18.85
Statewide Totals	2004	4673396	113702501	64041792	26195820	60931	1051	1.30	13.70
	2005	4819431	116964232	61900780	26364866	58531	1058	1.21	12.84
	2006	4945205	115363990	62750569	27557011	57432	1093	1.16	12.69
	Total	14438032	346030723	188693141	80117697	176894	1067	1.23	13.07

Notes:

- (1) Not under fleet plan.
- (2) Premiums include charges for excess limits.
- (3) Claim frequency is per 100 cars.
- (4) Basic limits.
- (5) Incurred losses include allocated loss adjustment expenses.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

See attached exhibits, Section D and prefiled testimony of P. Woods.

Credibility Factor Determination

Credibility considerations enter into the private passenger ratemaking formula in three areas:

- 1) statewide rate level in the determination of accident year weights.
- 2) territory rate level in the determination of the individual territory's formula loss ratio.
- 3) trend factor determination in the determination to base the average annual change on North Carolina data or a combination of North Carolina and countrywide data.

The first two areas full credibility standard is based on an application of the credibility formula contained in the paper "On The Credibility of The Pure Premium" by Mayerson, Jones and Bowers (PCAS LV, 1968). The full credibility standards contemplate P and K values of 95% and 5% for statewide and 90% and 5% for territory.

The trend credibility procedure is based on the first model discussed in "An Introduction to Credibility Theory" by L. H. Longley-Cook. The full credibility standard is based on P and K values of 99% and 2 1/2%.

For Motorcycles, each year of the experience period is given weight proportional to its earned premium at present manual rates in the calculation of an indicated change.

CREDIBILITY TABLES BASED
UPON NUMBER OF CLAIMS

The projected loss ratios are weighted in accordance with the following:

<u>Average Number of Claim for the Latest Two Years (A)</u>	<u>Weight to Earlier Year</u>	<u>Weight to Later Year</u>
4000 and over	0%	100%
3600 - 3999	10	90
3200 - 3599	20	80
2800 - 3199	30	70
2400 - 2799	40	60
under 2400	50	50

(A) Applied separately by coverage.

<u>Credibility</u>	<u>Determination of Territory Credibility (B)</u>	<u>Credibility</u>	<u>Determination of Trend Factor Credibility (C)</u>
0	0 - 29	0	0 - 26
.10	30 - 119	.05	27 - 105
.20	120 - 269	.10	106 - 238
.30	270 - 479	.15	239 - 424
.40	480 - 749	.20	425 - 663
.50	750 - 1,079	.25	664 - 955
.60	1,080 - 1,469	.30	956 - 1,300
.70	1,470 - 1,919	.35	1,301 - 1,699
.80	1,920 - 2,429	.40	1,700 - 2,150
.90	2,430 - 2,999	.45	2,151 - 2,655
1.00	3,000 or more	.50	2,656 - 3,212
		.55	3,213 - 3,823
		.60	3,824 - 4,487
		.65	4,488 - 5,204
		.70	5,205 - 5,974
		.75	5,975 - 6,798
		.80	6,799 - 7,674
		.85	7,675 - 8,604
		.90	8,605 - 9,586
		.95	9,587 - 10,622
		1.00	10,623 or more

(B) Territory credibility is based on the number of claims underlying the three year pure premium.

(C) Trend factor credibility is based on the number of claims underlying the latest year's experience appearing in the trend exhibits.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

3. LOSS DEVELOPMENT FACTOR DERIVATION AND APPLICATION ON BOTH PAID AND
INCURRED BASES AND IN BOTH NUMBERS AND DOLLARS OF CLAIMS

3(a) Loss development factor derivation is contained on the following pages F-37-96. In selecting the loss development factor, three and five year straight averages were considered, with the three year factor being selected as the best blend of responsiveness and stability for Bodily Injury, Property Damage and Medical Payments. For basic and total limits incurred Bodily Injury, the three year average for 2002, 2004, and 2005 was used to determine the 15-27 month link ratio.

Development for all coverages is to 63 months.

Additional information regarding loss development is contained in the prefiled testimony of P. Woods.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	5,930,356	5,930,356	4,432,231
2003	6,044,390	6,044,390	4,510,582
2004	6,216,885	6,216,885	4,675,148
2005	6,408,505	6,408,505	4,821,036
2006	6,552,881	6,552,881	4,946,726

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	904,712,755	863,619,934	106,222,665
2003	949,074,847	963,162,094	116,325,170
2004	1,001,328,224	944,532,385	127,128,014
2005	1,057,983,833	980,830,670	135,222,322
2006	1,064,545,525	1,011,224,366	132,276,587

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					535,813,299
1994				553,835,285	575,785,047
1995			519,919,728	571,835,213	592,222,495
1996		426,029,526	517,700,097	572,219,289	595,630,897
1997	229,644,143	431,616,003	522,274,331	575,363,333	598,211,754
1998	228,601,621	419,173,460	509,047,219	560,022,842	584,627,204
1999	231,875,451	430,590,663	526,829,968	580,273,861	606,476,653
2000	238,267,007	437,442,957	529,910,268	585,820,489	610,400,096
2001	229,462,179	436,717,674	533,389,591	592,028,458	616,280,688
2002	246,948,525	462,762,209	567,363,065	626,151,877	648,832,874
2003	254,756,938	492,397,536	598,800,404	663,593,397	
2004	266,628,448	503,870,232	634,817,214		
2005	282,695,085	517,876,348			
2006	292,730,189				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.040
1995			1.100	1.036
1996		1.215	1.105	1.041
1997	1.879	1.210	1.102	1.040
1998	1.834	1.214	1.100	1.044
1999	1.857	1.224	1.101	1.045
2000	1.836	1.211	1.106	1.042
2001	1.903	1.221	1.110	1.041
2002	1.874	1.226	1.104	1.036
2003	1.933	1.216	1.108	
2004	1.890	1.260		
2005	1.832			
Five Year Average	1.886	1.227	1.106	1.042
Three Year Average	1.885	1.234	1.107	1.040
		Five Year	Three Year	
39 to 63 months:		1.152	1.151	
27 to 63 months:		1.414	1.420	
15 to 63 months:		2.667	2.677	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					297,338,063
1994				345,687,706	345,929,741
1995			391,482,358	392,231,532	392,500,763
1996		438,350,488	441,000,989	442,165,389	442,374,585
1997	431,213,377	446,053,289	448,742,218	449,706,036	449,941,321
1998	443,376,912	459,294,282	462,141,524	463,004,806	463,273,676
1999	473,099,750	491,607,819	495,153,281	496,272,202	496,169,911
2000	496,862,761	518,966,482	518,878,432	519,743,391	519,978,486
2001	493,946,588	513,666,485	516,084,363	517,052,035	517,362,688
2002	509,903,937	529,448,599	532,558,761	534,150,312	534,267,857
2003	528,534,090	549,681,580	552,343,563	552,381,115	
2004	532,021,733	553,414,856	563,658,846		
2005	552,358,659	574,591,781			
2006	575,788,091				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.006	1.003	1.000
1997	1.034	1.006	1.002	1.001
1998	1.036	1.006	1.002	1.001
1999	1.039	1.007	1.002	1.000
2000	1.044	1.000	1.002	1.000
2001	1.040	1.005	1.002	1.001
2002	1.038	1.006	1.003	1.000
2003	1.040	1.005	1.000	
2004	1.040	1.019		
2005	1.040			

Five Year Average	1.040	1.007	1.002	1.000
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Three Year Average	1.040	1.010	1.002	1.000
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	Five Year	Three Year
39 to 63 months:	1.002	1.002
27 to 63 months:	1.009	1.012
15 to 63 months:	1.049	1.052

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Medical Payments Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					75,037,868
1994				78,926,420	79,169,009
1995			81,939,737	82,850,110	83,099,064
1996		79,099,984	81,252,411	82,270,818	82,662,642
1997	64,233,803	77,624,152	80,362,354	81,475,584	81,744,979
1998	61,315,057	74,200,833	76,699,175	77,650,349	77,955,069
1999	61,899,560	75,847,264	78,196,726	79,445,330	79,605,727
2000	63,973,747	76,775,187	79,442,173	80,684,010	80,857,818
2001	66,363,192	79,778,901	82,743,631	83,774,120	84,093,567
2002	72,832,848	86,945,509	90,039,406	91,146,242	91,367,436
2003	73,605,060	89,033,077	91,288,309	92,448,238	
2004	73,160,155	87,355,286	90,425,663		
2005	74,020,498	87,050,643			
2006	76,749,927				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.003
1995			1.011	1.003
1996		1.027	1.013	1.005
1997	1.208	1.035	1.014	1.003
1998	1.210	1.034	1.012	1.004
1999	1.225	1.031	1.016	1.002
2000	1.200	1.035	1.016	1.002
2001	1.202	1.037	1.012	1.004
2002	1.194	1.036	1.012	1.002
2003	1.210	1.025	1.013	
2004	1.194	1.035		
2005	1.176			
Five Year Average	1.195	1.034	1.014	1.003
Three Year Average	1.193	1.032	1.012	1.003

Five Year Three Year

39 to 63 months:	1.017	1.015
27 to 63 months:	1.052	1.047
15 to 63 months:	1.257	1.249

Losses exclude unallocated loss adjustment expense.

The Reinsurance Facility is advised by ISO that the data described in Subparagraph (3) (c) are not available.

See attached Exhibit (3)(d).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Bodily Injury Total Limits Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					548,063,931
1994				590,820,124	587,515,438
1995			602,956,881	608,845,680	604,190,862
1996		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	660,826,093
2003	590,218,744	662,896,265	695,233,004	702,075,913	
2004	629,424,611	687,246,213	726,032,756		
2005	622,795,154	693,338,754			
2006	655,183,999				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			1.010	0.992
1996		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	0.998
2003	1.123	1.049	1.010	
2004	1.092	1.056		
2005	1.113			
Five Year Average	1.104	1.045	1.017	1.002
Three Year Average (a)	1.102	1.048	1.016	1.001

	Five Year	Three Year
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39 to 63 months:	1.019	1.017
27 to 63 months:	1.065	1.066
15 to 63 months:	1.176	1.175

(a) The 15-27 month three year average is for 2002, 2004 and 2005.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

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
1993					297,635,265
1994				346,354,513	346,114,290
1995			392,719,031	392,780,992	392,734,006
1996		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	534,427,287
2003	542,796,004	551,748,287	553,314,103	552,864,078	
2004	545,709,696	555,915,798	564,500,217		
2005	564,664,269	576,768,472			
2006	589,948,039				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		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	0.999
2003	1.016	1.003	0.999	
2004	1.019	1.015		
2005	1.021			
Five Year Average	1.017	1.004	1.000	1.000
Three Year Average	1.019	1.007	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.001	
27 to 63 months:		1.004	1.008	
15 to 63 months:		1.021	1.027	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

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
1993					75,141,528
1994				79,141,305	79,248,603
1995			82,590,616	83,077,081	83,224,393
1996		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	91,468,157
2003	85,399,350	91,379,102	91,931,978	92,675,518	
2004	85,271,787	89,295,154	91,165,945		
2005	84,730,224	89,100,195			
2006	91,005,311				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.002
1996		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	1.000
2003	1.070	1.006	1.008	
2004	1.047	1.021		
2005	1.052			
Five Year Average	1.058	1.016	1.008	1.003
Three Year Average	1.056	1.014	1.007	1.000
		Five Year	Three Year	
39 to 63 months:		1.011	1.007	
27 to 63 months:		1.027	1.021	
15 to 63 months:		1.087	1.078	

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(e).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

L Carriers

Voluntary and Ceded Combined

Bodily Injury Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					459,179,969
1994				499,778,973	497,362,994
1995			508,281,001	510,695,093	507,711,940
1996		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	557,289,176
2003	515,817,257	559,094,357	578,617,400	585,187,725	
2004	539,624,419	573,780,470	593,251,141		
2005	534,184,208	576,962,347			
2006	555,212,150				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.995
1995			1.005	0.994
1996		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	0.999
2003	1.084	1.035	1.011	
2004	1.063	1.034		
2005	1.080			

Five Year Average	1.066	1.028	1.013	1.003
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Three Year Average (b)	1.068	1.033	1.014	1.002
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	Five Year	Three Year
39 to 63 months:	1.016	1.016
27 to 63 months:	1.044	1.050
15 to 63 months:	1.113	1.121

(a) Losses are on a 30/60 level for 2002-2006.

Losses are on a 25/50 level for 1993-2001.

The 15-27 month three year average is for 2002, 2004 and 2005.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers Voluntary and Ceded Combined

Accident Year	Bodily Injury Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					88,883,962
1994				91,041,151	90,152,444
1995			94,675,880	98,150,587	96,478,922
1996		88,381,693	99,692,723	99,904,973	99,147,527
1997	61,832,977	85,557,312	90,714,258	94,315,255	94,318,777
1998	60,500,292	81,972,419	91,097,088	95,182,776	95,303,963
1999	63,790,789	87,006,201	101,210,760	104,682,292	104,825,462
2000	61,523,224	89,205,766	101,479,928	106,432,851	106,503,506
2001	72,030,506	103,854,315	118,014,383	122,629,813	121,289,771
2002	66,861,543	93,148,172	101,727,960	104,649,397	103,536,917
2003	74,401,487	103,801,908	116,615,604	116,888,188	
2004	89,800,192	113,465,743	132,781,615		
2005	88,610,946	116,376,407			
2006	99,971,849				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.990
1995			1.037	0.983
1996		1.128	1.002	0.992
1997	1.384	1.060	1.040	1.000
1998	1.355	1.111	1.045	1.001
1999	1.364	1.163	1.034	1.001
2000	1.450	1.138	1.049	1.001
2001	1.442	1.136	1.039	0.989
2002	1.393	1.092	1.029	0.989
2003	1.395	1.123	1.002	
2004	1.264	1.170		
2005	1.313			
Five Year Average	1.361	1.132	1.031	0.996
Three Year Average	1.324	1.128	1.023	0.993

Five Year Three Year

39 to 63 months:	1.027	1.016
27 to 63 months:	1.163	1.146
15 to 63 months:	1.583	1.517

(a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					290,374,126
1994				342,544,827	342,489,519
1995			386,974,758	387,215,933	387,183,990
1996		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	531,950,120
2003	537,475,817	547,204,102	549,683,599	549,242,647	
2004	540,779,130	552,344,575	560,950,492		
2005	560,372,482	572,679,307			
2006	585,759,190				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		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	1.000
2003	1.018	1.005	0.999	
2004	1.021	1.016		
2005	1.022			
Five Year Average	1.018	1.004	1.001	1.000
Three Year Average	1.020	1.008	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.005	1.009
15 to 63 months:	1.023	1.029

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					7,261,139
1994				3,809,686	3,624,771
1995			5,744,273	5,565,059	5,550,016
1996		7,094,230	7,697,540	7,802,433	7,637,344
1997	8,113,626	8,567,678	8,699,442	8,582,461	8,560,273
1998	10,497,477	10,416,403	10,433,189	10,432,959	10,194,028
1999	12,290,268	11,356,963	11,368,177	11,188,297	11,162,968
2000	12,245,392	12,275,225	12,101,683	12,240,868	12,174,833
2001	15,468,085	14,746,275	14,837,294	14,597,979	14,633,561
2002	2,521,015	2,616,537	2,630,144	2,590,768	2,477,167
2003	5,320,187	4,544,185	3,630,504	3,621,431	
2004	4,930,566	3,571,223	3,549,725		
2005	4,291,787	4,089,165			
2006	4,188,849				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.951
1995			0.969	0.997
1996		1.085	1.014	0.979
1997	1.056	1.015	0.987	0.997
1998	0.992	1.002	1.000	0.977
1999	0.924	1.001	0.984	0.998
2000	1.002	0.986	1.012	0.995
2001	0.953	1.006	0.984	1.002
2002	1.038	1.005	0.985	0.956
2003	0.854	0.799	0.998	
2004	0.724	0.994		
2005	0.953			
Five Year Average	0.904	0.958	0.993	0.986
Three Year Average	0.844	0.933	0.989	0.984

	Five Year	Three Year
39 to 63 months:	0.979	0.973
27 to 63 months:	0.938	0.908
15 to 63 months:	0.848	0.766

(a) Losses are on a \$25,000 level for 2002-2006.
 Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(f).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Bodily Injury Paid Claims as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					71,532
1994				82,174	83,184
1995			85,550	88,337	89,284
1996		82,708	88,901	91,807	92,819
1997	61,107	82,622	88,449	91,253	92,277
1998	59,043	79,605	85,451	88,361	89,314
1999	59,845	81,377	87,482	90,444	91,471
2000	59,539	80,064	85,793	88,725	89,700
2001	57,221	77,647	83,194	86,137	87,056
2002	60,245	81,132	87,177	90,102	90,461
2003	60,906	82,199	88,117	90,880	
2004	61,763	83,136	89,871		
2005	62,053	81,836			
2006	61,834				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.012
1995			1.033	1.011
1996		1.075	1.033	1.011
1997	1.352	1.071	1.032	1.011
1998	1.348	1.073	1.034	1.011
1999	1.360	1.075	1.034	1.011
2000	1.345	1.072	1.034	1.011
2001	1.357	1.071	1.035	1.011
2002	1.347	1.075	1.034	1.004
2003	1.350	1.072	1.031	
2004	1.346	1.081		
2005	1.319			
Five Year Average	1.344	1.074	1.034	1.010
Three Year Average	1.338	1.076	1.033	1.009

	Five Year	Three Year
39 to 63 months:	1.044	1.042
27 to 63 months:	1.121	1.121
15 to 63 months:	1.507	1.500

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Property Damage Paid Claims as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,514
1994				190,993	191,071
1995			203,110	203,377	203,471
1996		213,750	214,766	215,084	215,157
1997	208,858	214,316	215,181	215,479	215,548
1998	210,147	215,295	216,291	216,497	216,571
1999	216,348	222,135	222,961	223,195	223,252
2000	217,097	224,702	223,537	223,727	223,763
2001	216,633	221,788	222,482	222,688	222,760
2002	219,946	226,020	226,750	227,188	227,129
2003	230,206	236,407	237,156	236,794	
2004	234,927	241,118	244,667		
2005	238,818	244,659			
2006	240,200				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.005	1.001	1.000
1997	1.026	1.004	1.001	1.000
1998	1.024	1.005	1.001	1.000
1999	1.027	1.004	1.001	1.000
2000	1.035	0.995	1.001	1.000
2001	1.024	1.003	1.001	1.000
2002	1.028	1.003	1.002	1.000
2003	1.027	1.003	0.998	
2004	1.026	1.015		
2005	1.024			
Five Year Average	1.026	1.004	1.001	1.000
Three Year Average	1.026	1.007	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.000	
27 to 63 months:		1.005	1.007	
15 to 63 months:		1.031	1.033	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Medical Payments Paid Claims as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					60,348
1994				66,461	66,539
1995			68,490	68,932	69,016
1996		66,856	68,087	68,546	68,658
1997	55,345	64,573	65,830	66,314	66,404
1998	51,556	60,079	61,326	61,768	61,856
1999	50,559	59,461	60,641	61,102	61,206
2000	50,952	59,085	60,271	60,725	60,783
2001	50,543	57,939	59,077	59,466	59,548
2002	52,732	60,717	61,839	62,274	62,348
2003	51,306	58,999	60,127	60,471	
2004	49,281	56,604	58,060		
2005	49,575	56,506			
2006	50,669				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.006	1.001
1996		1.018	1.007	1.002
1997	1.167	1.019	1.007	1.001
1998	1.165	1.021	1.007	1.001
1999	1.176	1.020	1.008	1.002
2000	1.160	1.020	1.008	1.001
2001	1.146	1.020	1.007	1.001
2002	1.151	1.018	1.007	1.001
2003	1.150	1.019	1.006	
2004	1.149	1.026		
2005	1.140			
Five Year Average	1.147	1.021	1.007	1.001
Three Year Average	1.146	1.021	1.007	1.001

Five Year Three Year

39 to 63 months:	1.008	1.008
27 to 63 months:	1.029	1.029
15 to 63 months:	1.180	1.179

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					72,128
1994				84,346	83,857
1995			90,615	90,309	89,961
1996		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	91,069
2003	98,407	94,411	93,472	92,709	
2004	98,867	95,352	94,812		
2005	96,834	93,155			
2006	96,429				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.994
1995			0.997	0.996
1996		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	0.990
2003	0.959	0.990	0.992	
2004	0.964	0.994		
2005	0.962			
Five Year Average	0.962	0.991	0.994	0.995
Three Year Average	0.962	0.992	0.994	0.994
		Five Year	Three Year	
39 to 63 months:		0.989	0.988	
27 to 63 months:		0.980	0.980	
15 to 63 months:		0.943	0.943	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined				
	Property Damage Incurred Claims as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					167,569
1994				191,123	191,119
1995			203,409	203,482	203,511
1996		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	227,151
2003	235,482	236,947	237,345	236,866	
2004	239,528	241,668	244,848		
2005	242,482	245,096			
2006	243,912				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		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	0.999
2003	1.006	1.002	0.998	
2004	1.009	1.013		
2005	1.011			
Five Year Average	1.008	1.002	1.000	1.000
Three Year Average	1.009	1.005	1.000	0.999

	Five Year	Three Year
39 to 63 months:	1.000	0.999
27 to 63 months:	1.002	1.004
15 to 63 months:	1.010	1.013

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					60,391
1994				66,604	66,592
1995			68,876	69,056	69,057
1996		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	62,393
2003	59,036	60,027	60,458	60,586	
2004	56,892	57,641	58,405		
2005	56,522	57,491			
2006	59,284				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		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	1.000
2003	1.017	1.007	1.002	
2004	1.013	1.013		
2005	1.017			
Five Year Average	1.016	1.008	1.002	1.000
Three Year Average	1.016	1.008	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.010	1.010	
15 to 63 months:		1.026	1.026	

See attached Exhibit (3)(g).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-37.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary and Ceded Combined		
	Bodily Injury Outstanding Claims as of		
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			5,065
1996		11,765	5,121
1997	35,428	11,634	5,362
1998	34,683	11,634	5,261
1999	36,658	12,038	5,663
2000	34,470	12,037	5,344
2001	35,744	11,596	5,216
2002	36,600	12,281	5,386
2003	37,501	12,212	5,355
2004	37,104	12,216	4,941
2005	34,781	11,319	
2006	34,595		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.435
1997	0.328	0.461
1998	0.335	0.452
1999	0.328	0.470
2000	0.349	0.444
2001	0.324	0.450
2002	0.336	0.439
2003	0.326	0.439
2004	0.329	0.404
2005	0.325	
Five Year Average	0.328	0.435
Three Year Average	0.327	0.427
	Five Year	Three Year
27 to 39 months:	0.435	0.427
15 to 39 months:	0.143	0.140

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

- Carriers Voluntary and Ceded Combined

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			299
1996		861	321
1997	4,604	736	306
1998	4,903	943	297
1999	5,650	1,175	316
2000	4,808	900	401
2001	4,708	831	376
2002	5,183	748	300
2003	5,276	540	189
2004	4,601	550	181
2005	3,664	437	
2006	3,712		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.373
1997	0.160	0.416
1998	0.192	0.315
1999	0.208	0.269
2000	0.187	0.446
2001	0.177	0.452
2002	0.144	0.401
2003	0.102	0.350
2004	0.120	0.329
2005	0.119	
Five Year Average	0.132	0.396
Three Year Average	0.114	0.360
	Five Year	Three Year
27 to 39 months:	0.396	0.360
15 to 39 months:	0.052	0.041

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers Voluntary and Ceded Combined

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			386
1996		1,333	453
1997	8,662	1,288	522
1998	8,506	1,457	425
1999	9,073	1,421	529
2000	8,026	1,266	414
2001	7,564	1,111	395
2002	8,267	1,231	434
2003	7,730	1,028	331
2004	7,611	1,037	345
2005	6,947	985	
2006	8,615		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.340
1997	0.149	0.405
1998	0.171	0.292
1999	0.157	0.372
2000	0.158	0.327
2001	0.147	0.356
2002	0.149	0.353
2003	0.133	0.322
2004	0.136	0.333
2005	0.142	
Five Year Average	0.141	0.338
Three Year Average	0.137	0.336

Five Year Three Year

27 to 39 months:	0.338	0.336
15 to 39 months:	0.048	0.046

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

EARNED EXPOSURES BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	4,660,842	4,660,842	3,699,155
2003	4,702,282	4,702,282	3,729,677
2004	4,743,139	4,743,139	3,784,889
2005	4,910,797	4,910,797	3,909,999
2006	5,046,333	5,046,333	4,014,401

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	1,269,514	1,269,514	733,076
2003	1,342,108	1,342,108	780,905
2004	1,473,746	1,473,746	890,259
2005	1,497,708	1,497,708	911,037
2006	1,506,548	1,506,548	932,325

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	603,339,789	593,112,925	79,901,772
2003	616,132,326	662,935,691	87,396,102
2004	640,538,388	640,825,636	95,274,269
2005	666,075,997	664,897,876	97,241,986
2006	703,328,420	691,999,158	100,610,880

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2002	301,372,966	270,507,009	26,320,893
2003	332,942,521	300,226,403	28,929,068
2004	360,789,836	303,706,749	31,853,745
2005	391,907,836	315,932,794	37,980,336
2006	361,217,105	319,225,208	31,665,707

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					329,451,280
1994				327,817,063	343,556,805
1995			311,681,282	347,496,187	363,133,994
1996		247,712,374	307,405,624	346,429,686	364,158,644
1997	131,716,874	251,103,010	312,051,907	349,688,161	366,319,867
1998	131,954,580	249,502,212	310,492,979	345,198,499	363,799,178
1999	136,928,680	262,289,392	327,202,535	364,470,808	384,298,124
2000	145,341,494	268,448,618	331,605,380	371,955,668	390,855,362
2001	135,919,115	264,105,448	331,110,357	373,432,756	392,076,769
2002	144,659,219	277,908,596	346,317,622	388,085,630	405,462,685
2003	144,007,524	290,116,674	357,174,830	401,245,592	
2004	150,070,170	292,864,126	378,790,997		
2005	161,959,557	305,903,777			
2006	169,423,762				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.048
1995			1.115	1.045
1996		1.241	1.127	1.051
1997	1.906	1.243	1.121	1.048
1998	1.891	1.244	1.112	1.054
1999	1.916	1.247	1.114	1.054
2000	1.847	1.235	1.122	1.051
2001	1.943	1.254	1.128	1.050
2002	1.921	1.246	1.121	1.045
2003	2.015	1.231	1.123	
2004	1.952	1.293		
2005	1.889			

Five Year Average	1.944	1.252	1.122	1.051
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Three Year Average	1.952	1.257	1.124	1.049
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	Five Year	Three Year
39 to 63 months:	1.179	1.179
27 to 63 months:	1.476	1.482
15 to 63 months:	2.869	2.893

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					187,142,154
1994				216,029,312	216,165,173
1995			247,827,442	248,286,260	248,442,721
1996		274,988,971	276,481,658	277,172,158	277,283,992
1997	272,232,851	280,249,239	281,952,172	282,533,615	282,721,197
1998	287,051,856	295,893,318	297,624,497	298,142,455	298,255,646
1999	311,224,865	319,543,751	321,709,041	322,118,970	322,251,238
2000	330,726,703	345,020,813	343,267,588	343,840,594	344,026,169
2001	324,681,232	336,106,138	337,702,119	338,424,158	338,637,394
2002	330,325,524	341,696,639	343,743,769	344,754,539	345,031,243
2003	336,393,949	347,871,948	349,428,023	350,094,712	
2004	336,418,727	347,690,883	350,323,622		
2005	349,176,567	362,204,335			
2006	368,458,247				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.005	1.002	1.000
1997	1.029	1.006	1.002	1.001
1998	1.031	1.006	1.002	1.000
1999	1.027	1.007	1.001	1.000
2000	1.043	0.995	1.002	1.001
2001	1.035	1.005	1.002	1.001
2002	1.034	1.006	1.003	1.001
2003	1.034	1.004	1.002	
2004	1.034	1.008		
2005	1.037			
Five Year Average	1.035	1.004	1.002	1.001
Three Year Average	1.035	1.006	1.002	1.001
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.007	1.009	
15 to 63 months:		1.042	1.044	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					51,090,326
1994				53,507,780	53,716,208
1995			56,077,515	56,849,656	57,077,554
1996		53,922,770	55,603,417	56,470,917	56,811,251
1997	43,443,931	52,934,543	55,142,839	56,099,297	56,383,066
1998	42,515,001	51,981,434	54,064,403	54,900,325	55,169,555
1999	43,858,526	54,378,026	56,378,034	57,412,858	57,550,784
2000	46,002,305	55,806,584	57,959,165	59,021,329	59,187,508
2001	48,384,631	58,718,043	61,263,212	62,202,986	62,457,064
2002	51,922,666	62,694,663	65,325,155	66,246,138	66,421,527
2003	52,255,242	64,218,044	66,054,543	67,073,610	
2004	50,890,226	61,429,444	63,330,746		
2005	51,811,123	61,718,993			
2006	53,565,415				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.004
1995			1.014	1.004
1996		1.031	1.016	1.006
1997	1.218	1.042	1.017	1.005
1998	1.223	1.040	1.015	1.005
1999	1.240	1.037	1.018	1.002
2000	1.213	1.039	1.018	1.003
2001	1.214	1.043	1.015	1.004
2002	1.207	1.042	1.014	1.003
2003	1.229	1.029	1.015	
2004	1.207	1.031		
2005	1.191			
Five Year Average	1.210	1.037	1.016	1.003
Three Year Average	1.209	1.034	1.015	1.003

Five Year Three Year

39 to 63 months:	1.019	1.018
27 to 63 months:	1.057	1.053
15 to 63 months:	1.279	1.273

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					338,244,071
1994				353,841,908	352,363,980
1995			371,290,988	375,756,132	372,286,476
1996		362,097,993	371,475,392	371,745,045	372,325,990
1997	338,235,350	358,534,649	364,924,210	371,778,989	373,561,529
1998	329,217,076	351,445,425	363,364,191	369,619,589	370,853,319
1999	341,970,362	366,026,255	384,335,134	391,183,332	393,357,986
2000	332,390,379	368,908,257	387,134,717	396,753,921	398,733,679
2001	339,217,710	372,371,262	390,933,974	399,505,127	399,848,937
2002	353,667,044	389,313,941	403,078,765	413,871,348	414,099,441
2003	357,539,084	400,924,950	423,616,821	427,707,079	
2004	381,086,400	413,617,152	441,772,958		
2005	378,466,761	423,501,465			
2006	404,910,982				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.996
1995			1.012	0.991
1996		1.026	1.001	1.002
1997	1.060	1.018	1.019	1.005
1998	1.068	1.034	1.017	1.003
1999	1.070	1.050	1.018	1.006
2000	1.110	1.049	1.025	1.005
2001	1.098	1.050	1.022	1.001
2002	1.101	1.035	1.027	1.001
2003	1.121	1.057	1.010	
2004	1.085	1.068		
2005	1.119			
Five Year Average	1.105	1.052	1.020	1.003
Three Year Average	1.108	1.053	1.020	1.002
		Five Year	Three Year	
39 to 63 months:		1.023	1.022	
27 to 63 months:		1.076	1.076	
15 to 63 months:		1.189	1.192	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers	Voluntary Only				
	Property Damage Total Limits Incurred Losses as of				
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					187,222,148
1994				216,423,305	216,276,852
1995			248,574,801	248,651,994	248,616,262
1996		276,886,275	277,164,367	277,526,896	277,431,035
1997	280,399,045	282,022,894	282,816,409	283,027,208	282,865,304
1998	296,849,433	298,005,358	298,510,484	298,469,768	298,306,952
1999	321,836,464	321,832,900	322,569,675	322,410,874	322,299,995
2000	340,096,434	347,224,747	343,980,168	344,040,973	344,081,913
2001	334,870,040	338,075,600	338,673,729	338,830,423	338,806,939
2002	338,996,505	343,527,271	344,531,462	345,219,230	345,136,473
2003	345,413,531	349,415,194	350,134,574	350,427,315	
2004	344,995,813	349,026,069	350,898,801		
2005	356,699,420	363,790,808			
2006	377,302,016				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		1.001	1.001	1.000
1997	1.006	1.003	1.001	0.999
1998	1.004	1.002	1.000	0.999
1999	1.000	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.010	1.002	1.000	1.000
2002	1.013	1.003	1.002	1.000
2003	1.012	1.002	1.001	
2004	1.012	1.005		
2005	1.020			
Five Year Average	1.013	1.001	1.001	1.000
Three Year Average	1.015	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:		1.015	1.019	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					51,167,927
1994				53,658,630	53,775,408
1995			56,528,216	57,004,741	57,154,627
1996		55,392,698	56,153,565	56,648,821	56,924,833
1997	51,928,488	54,625,154	55,777,610	56,382,846	56,488,286
1998	50,493,680	53,591,274	54,668,107	55,173,400	55,244,596
1999	53,062,938	56,115,237	57,082,950	57,729,545	58,675,761
2000	54,099,493	57,472,357	58,604,710	59,191,875	59,232,269
2001	56,794,753	60,510,986	61,962,205	62,550,973	62,553,582
2002	60,543,949	64,654,043	65,892,613	66,491,214	66,485,157
2003	60,952,465	66,186,274	66,619,913	67,269,601	
2004	60,074,640	62,964,357	63,928,606		
2005	60,033,376	63,396,885			
2006	64,957,646				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.002
1995			1.008	1.003
1996		1.014	1.009	1.005
1997	1.052	1.021	1.011	1.002
1998	1.061	1.020	1.009	1.001
1999	1.058	1.017	1.011	1.016
2000	1.062	1.020	1.010	1.001
2001	1.065	1.024	1.010	1.000
2002	1.068	1.019	1.009	1.000
2003	1.086	1.007	1.010	
2004	1.048	1.015		
2005	1.056			
Five Year Average	1.065	1.017	1.010	1.004
Three Year Average	1.063	1.014	1.010	1.000

Five Year Three Year

39 to 63 months:	1.014	1.010
27 to 63 months:	1.031	1.024
15 to 63 months:	1.098	1.089

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					264,719,945
1994				282,437,524	281,983,940
1995			294,934,944	296,364,163	294,571,781
1996		289,872,311	290,277,242	290,370,189	291,170,689
1997	287,806,243	288,003,810	289,753,370	293,417,186	294,710,485
1998	279,631,461	283,443,817	287,122,200	290,335,486	291,518,174
1999	287,757,237	291,278,162	297,711,334	301,975,729	304,112,726
2000	280,701,710	294,453,525	302,382,187	307,529,213	309,167,129
2001	281,350,691	289,660,333	296,848,925	301,545,062	303,573,316
2002	297,658,702	311,450,105	319,847,860	326,010,865	327,050,021
2003	295,844,986	316,186,188	327,672,300	331,622,074	
2004	307,303,201	320,585,803	331,151,859		
2005	307,770,192	329,825,284			
2006	325,803,683				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.998
1995			1.005	0.994
1996		1.001	1.000	1.003
1997	1.001	1.006	1.013	1.004
1998	1.014	1.013	1.011	1.004
1999	1.012	1.022	1.014	1.007
2000	1.049	1.027	1.017	1.005
2001	1.030	1.025	1.016	1.007
2002	1.046	1.027	1.019	1.003
2003	1.069	1.036	1.012	
2004	1.043	1.033		
2005	1.072			
Five Year Average	1.052	1.030	1.016	1.005
Three Year Average	1.061	1.032	1.016	1.005

Five Year Three Year

39 to 63 months:	1.021	1.021
27 to 63 months:	1.052	1.054
15 to 63 months:	1.107	1.118

(a) Losses are on a 30/60 level for 2002-2006.

Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					181,409,030
1994				213,555,881	213,535,132
1995			244,554,516	244,741,870	244,723,257
1996		271,814,464	271,696,402	272,012,743	271,996,501
1997	274,485,578	275,941,421	276,685,201	276,967,434	276,813,730
1998	288,938,904	290,584,122	290,817,272	290,825,415	290,891,530
1999	313,167,518	313,788,027	314,571,078	314,556,690	314,455,956
2000	330,730,795	337,810,703	334,749,005	334,771,674	334,834,656
2001	324,263,934	328,208,148	328,832,646	329,114,106	329,140,804
2002	337,116,430	341,671,564	342,630,222	343,327,511	343,353,975
2003	340,874,531	345,542,595	347,175,978	347,499,636	
2004	341,071,267	346,449,762	348,374,612		
2005	353,373,762	360,658,158			
2006	374,146,048				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.000	1.001	1.000
1997	1.005	1.003	1.001	0.999
1998	1.006	1.001	1.000	1.000
1999	1.002	1.002	1.000	1.000
2000	1.021	0.991	1.000	1.000
2001	1.012	1.002	1.001	1.000
2002	1.014	1.003	1.002	1.000
2003	1.014	1.005	1.001	
2004	1.016	1.006		
2005	1.021			

Five Year Average	1.015	1.001	1.001	1.000
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Three Year Average	1.017	1.005	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.002	1.006
15 to 63 months:	1.017	1.023

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary Only				
Bodily Injury Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					42,971
1994				46,413	47,020
1995			48,533	50,192	50,828
1996		45,814	49,242	50,971	51,601
1997	34,165	45,678	49,060	50,677	51,312
1998	33,659	45,185	48,526	50,236	50,789
1999	34,948	46,816	50,282	51,998	52,623
2000	35,764	47,333	50,617	52,429	53,079
2001	34,241	46,028	49,435	51,277	51,873
2002	35,848	47,874	51,346	53,077	53,585
2003	35,861	47,815	51,112	52,867	
2004	35,604	47,584	50,947		
2005	36,122	47,272			
2006	36,008				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.013
1995			1.034	1.013
1996		1.075	1.035	1.012
1997	1.337	1.074	1.033	1.013
1998	1.342	1.074	1.035	1.011
1999	1.340	1.074	1.034	1.012
2000	1.323	1.069	1.036	1.012
2001	1.344	1.074	1.037	1.012
2002	1.335	1.073	1.034	1.010
2003	1.333	1.069	1.034	
2004	1.336	1.071		
2005	1.309			
Five Year Average	1.331	1.071	1.035	1.011
Three Year Average	1.326	1.071	1.035	1.011

	Five Year	Three Year
39 to 63 months:	1.046	1.046
27 to 63 months:	1.120	1.120
15 to 63 months:	1.491	1.485

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary Only				
Property Damage Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,219
1994				119,278	119,329
1995			127,128	127,315	127,384
1996		132,110	132,768	132,933	132,981
1997	129,914	132,984	133,550	133,747	133,800
1998	133,638	136,492	137,115	137,235	137,263
1999	139,595	142,084	142,552	142,589	142,628
2000	142,423	147,633	145,909	146,026	146,044
2001	142,114	144,690	145,138	145,269	145,312
2002	142,112	145,639	146,073	146,305	146,386
2003	142,890	146,241	146,644	146,723	
2004	143,403	146,792	147,341		
2005	146,065	149,555			
2006	150,334				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.001
1996		1.005	1.001	1.000
1997	1.024	1.004	1.001	1.000
1998	1.021	1.005	1.001	1.000
1999	1.018	1.003	1.000	1.000
2000	1.037	0.988	1.001	1.000
2001	1.018	1.003	1.001	1.000
2002	1.025	1.003	1.002	1.001
2003	1.023	1.003	1.001	
2004	1.024	1.004		
2005	1.024			
Five Year Average	1.023	1.000	1.001	1.000
Three Year Average	1.024	1.003	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.001	1.004
15 to 63 months:	1.024	1.028

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Voluntary Only				
Accident Year	Medical Payments Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					39,119
1994				41,282	41,347
1995			42,381	42,696	42,761
1996		40,555	41,382	41,708	41,776
1997	33,743	39,271	40,123	40,486	40,559
1998	32,118	37,416	38,317	38,667	38,731
1999	32,298	38,069	38,882	39,163	39,241
2000	33,650	39,160	39,932	40,277	40,325
2001	33,696	38,638	39,502	39,808	39,861
2002	34,276	39,705	40,510	40,813	40,875
2003	33,240	38,284	39,058	39,317	
2004	31,189	35,940	36,629		
2005	31,063	35,574			
2006	31,693				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.002
1995			1.007	1.002
1996		1.020	1.008	1.002
1997	1.164	1.022	1.009	1.002
1998	1.165	1.024	1.009	1.002
1999	1.179	1.021	1.007	1.002
2000	1.164	1.020	1.009	1.001
2001	1.147	1.022	1.008	1.001
2002	1.158	1.020	1.007	1.002
2003	1.152	1.020	1.007	
2004	1.152	1.019		
2005	1.145			
Five Year Average	1.151	1.020	1.008	1.002
Three Year Average	1.150	1.020	1.007	1.001

	Five Year	Three Year
39 to 63 months:	1.010	1.008
27 to 63 months:	1.030	1.028
15 to 63 months:	1.186	1.182

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Voluntary Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					43,339
1994				47,831	47,488
1995			51,948	51,632	51,346
1996		53,207	52,654	52,386	52,069
1997	55,275	53,118	52,492	52,135	51,832
1998	54,721	52,464	51,915	51,551	51,207
1999	57,517	54,562	53,863	53,342	53,044
2000	57,171	54,901	54,115	53,687	53,467
2001	55,746	53,390	52,789	52,550	52,285
2002	57,489	55,279	54,650	54,250	53,943
2003	57,432	55,024	54,359	53,922	
2004	56,878	54,535	53,962		
2005	56,083	53,951			
2006	56,360				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.993
1995			0.994	0.994
1996		0.990	0.995	0.994
1997	0.961	0.988	0.993	0.994
1998	0.959	0.990	0.993	0.993
1999	0.949	0.987	0.990	0.994
2000	0.960	0.986	0.992	0.996
2001	0.958	0.989	0.995	0.995
2002	0.962	0.989	0.993	0.994
2003	0.958	0.988	0.992	
2004	0.959	0.989		
2005	0.962			
Five Year Average	0.960	0.988	0.992	0.994
Three Year Average	0.960	0.989	0.993	0.995

Five Year Three Year

39 to 63 months:	0.986	0.988
27 to 63 months:	0.974	0.977
15 to 63 months:	0.935	0.938

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Voluntary Only

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,244
1994				119,348	119,361
1995			127,327	127,392	127,415
1996		132,699	132,991	133,026	133,020
1997	132,831	133,485	133,761	133,826	133,837
1998	136,734	137,101	137,319	137,320	137,283
1999	142,944	142,633	142,749	142,663	142,646
2000	145,422	148,156	146,101	146,076	146,059
2001	145,005	145,139	145,299	145,327	145,329
2002	145,234	146,083	146,229	146,362	146,400
2003	145,932	146,602	146,767	146,765	
2004	146,263	147,078	147,461		
2005	148,292	149,843			
2006	152,635				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.002	1.000	1.000
1997	1.005	1.002	1.000	1.000
1998	1.003	1.002	1.000	1.000
1999	0.998	1.001	0.999	1.000
2000	1.019	0.986	1.000	1.000
2001	1.001	1.001	1.000	1.000
2002	1.006	1.001	1.001	1.000
2003	1.005	1.001	1.000	
2004	1.006	1.003		
2005	1.010			
Five Year Average	1.006	0.998	1.000	1.000
Three Year Average	1.007	1.002	1.000	1.000

Five Year Three Year

39 to 63 months:	1.000	1.000
27 to 63 months:	0.998	1.002
15 to 63 months:	1.004	1.009

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary Only				
Medical Payments Incurred Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					39,139
1994				41,363	41,377
1995			42,642	42,791	42,790
1996		41,503	41,711	41,817	41,827
1997	39,262	40,211	40,493	40,604	40,618
1998	37,677	38,369	38,652	38,786	38,764
1999	38,340	39,056	39,267	39,319	39,295
2000	39,174	40,060	40,237	40,402	40,356
2001	38,773	39,399	39,776	39,895	39,881
2002	39,568	40,472	40,791	40,910	40,900
2003	38,088	38,982	39,308	39,403	
2004	35,941	36,635	36,859		
2005	35,441	36,228			
2006	37,567				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.003	1.000
1996		1.005	1.003	1.000
1997	1.024	1.007	1.003	1.000
1998	1.018	1.007	1.003	0.999
1999	1.019	1.005	1.001	0.999
2000	1.023	1.004	1.004	0.999
2001	1.016	1.010	1.003	1.000
2002	1.023	1.008	1.003	1.000
2003	1.023	1.008	1.002	
2004	1.019	1.006		
2005	1.022			
Five Year Average	1.021	1.007	1.003	0.999
Three Year Average	1.021	1.007	1.003	1.000

	Five Year	Three Year
39 to 63 months:	1.002	1.003
27 to 63 months:	1.009	1.010
15 to 63 months:	1.030	1.031

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Voluntary Only		
Bodily Injury Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			
1996		7,393	3,415
1997	21,110	7,440	3,412
1998	21,062	7,279	3,432
1999	22,569	7,746	3,389
2000	21,407	7,568	3,581
2001	21,505	7,362	3,498
2002	21,641	7,362	3,354
2003	21,571	7,405	3,304
2004	21,274	7,209	3,247
2005	19,961	6,951	3,247
2006	20,352	6,679	3,015

Claim Development Factors		
Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.462
1997	0.352	0.461
1998	0.346	0.466
1999	0.343	0.462
2000	0.354	0.462
2001	0.342	0.456
2002	0.342	0.446
2003	0.334	0.450
2004	0.327	0.434
2005	0.335	
Five Year Average	0.336	0.450
Three Year Average	0.332	0.443
	Five Year	Three Year
27 to 39 months:	0.450	0.443
15 to 39 months:	0.151	0.147

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary Only

Accident Year	Property Damage Outstanding Claims as of		
	15 Months	27 Months	39 Months
1993			
1994			
1995			199
1996		589	223
1997	2,917	501	211
1998	3,096	609	204
1999	3,349	549	197
2000	2,999	523	192
2001	2,891	449	161
2002	3,122	444	156
2003	3,042	361	123
2004	2,860	286	120
2005	2,227	288	
2006	2,301		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.379
1997	0.172	0.421
1998	0.197	0.335
1999	0.164	0.359
2000	0.174	0.367
2001	0.155	0.359
2002	0.142	0.351
2003	0.119	0.341
2004	0.100	0.420
2005	0.129	
Five Year Average	0.129	0.368
Three Year Average	0.116	0.371
	Five Year	Three Year
27 to 39 months:	0.368	0.371
15 to 39 months:	0.047	0.043

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Medical Payments Outstanding Claims as of		
	15 Months	27 Months	39 Months
1993			
1994			
1995			
1996			261
1997		948	329
1998	5,519	940	370
1999	5,559	953	335
2000	6,042	987	385
2001	5,524	900	305
2002	5,077	761	274
2003	5,292	767	281
2004	4,848	698	250
2005	4,752	695	230
2006	4,378	654	
	5,874		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.347
1997	0.170	0.394
1998	0.171	0.352
1999	0.163	0.390
2000	0.163	0.339
2001	0.150	0.360
2002	0.145	0.366
2003	0.144	0.358
2004	0.146	0.331
2005	0.149	

Five Year Average	0.147	0.351
Three Year Average	0.146	0.352

Five Year Three Year

27 to 39 months:	0.351	0.352
15 to 39 months:	0.052	0.051

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					203,458,369
1994				222,465,506	228,576,147
1995			205,414,915	221,303,468	225,944,484
1996		178,317,152	210,294,473	225,789,603	231,472,253
1997	97,927,269	180,512,993	210,222,424	225,675,172	231,891,887
1998	96,647,041	169,671,248	198,554,240	214,824,343	220,828,026
1999	94,946,771	168,301,271	199,627,433	215,803,053	222,178,529
2000	92,925,513	168,994,339	198,304,888	213,864,821	219,544,734
2001	93,543,064	172,612,226	202,279,234	218,595,702	224,203,919
2002	102,289,306	184,853,613	221,045,443	238,066,247	243,370,189
2003	110,749,414	202,280,862	241,625,574	262,347,805	
2004	116,558,278	211,006,106	256,026,217		
2005	120,735,528	211,972,571			
2006	123,306,427				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.027
1995			1.077	1.021
1996		1.179	1.074	1.025
1997	1.843	1.165	1.074	1.028
1998	1.756	1.170	1.082	1.028
1999	1.773	1.186	1.081	1.030
2000	1.819	1.173	1.078	1.027
2001	1.845	1.172	1.081	1.026
2002	1.807	1.196	1.077	1.022
2003	1.826	1.195	1.086	
2004	1.810	1.213		
2005	1.756			

Five Year Average	1.809	1.190	1.081	1.027
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Three Year Average	1.797	1.201	1.081	1.025
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	Five Year	Three Year
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39 to 63 months:	1.110	1.108
27 to 63 months:	1.321	1.331
15 to 63 months:	2.390	2.392

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Ceded Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,610,292
1994				127,936,707	128,042,881
1995			141,650,662	141,940,120	142,048,456
1996		163,361,517	164,519,331	164,993,231	165,090,593
1997	158,980,526	165,804,050	166,790,046	167,172,421	167,220,124
1998	156,325,056	163,400,964	164,517,027	164,862,351	165,018,030
1999	161,874,885	172,064,068	173,444,240	174,153,232	173,918,673
2000	166,136,058	173,945,669	175,610,844	175,902,797	175,952,317
2001	169,265,356	177,560,347	178,382,244	178,627,877	178,725,294
2002	179,578,413	187,751,960	188,814,992	189,395,773	189,236,614
2003	192,140,141	201,809,632	202,915,540	202,286,403	
2004	195,603,006	205,723,973	213,335,224		
2005	203,182,092	212,387,446			
2006	207,329,844				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.002	1.001
1996		1.007	1.003	1.001
1997	1.043	1.006	1.002	1.000
1998	1.045	1.007	1.002	1.001
1999	1.063	1.008	1.004	0.999
2000	1.047	1.010	1.002	1.000
2001	1.049	1.005	1.001	1.001
2002	1.046	1.006	1.003	0.999
2003	1.050	1.005	0.997	
2004	1.052	1.037		
2005	1.045			

Five Year Average	1.048	1.013	1.001	1.000
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Three Year Average	1.049	1.016	1.000	1.000
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	Five Year	Three Year
39 to 63 months:	1.001	1.000
27 to 63 months:	1.014	1.016
15 to 63 months:	1.063	1.066

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1. Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					23,604,567
1994				25,028,212	25,054,150
1995			25,454,679	25,591,758	25,606,118
1996		25,177,214	25,648,994	25,799,901	25,851,391
1997	20,789,872	24,689,609	25,219,515	25,376,287	25,361,913
1998	18,800,056	22,219,399	22,634,772	22,750,024	22,785,514
1999	18,041,034	21,469,238	21,818,692	22,032,472	22,054,943
2000	17,971,442	20,968,603	21,483,008	21,662,681	21,670,310
2001	17,978,561	21,060,858	21,480,419	21,571,134	21,636,503
2002	20,910,182	24,250,846	24,714,251	24,900,104	24,945,909
2003	21,349,818	24,815,033	25,233,766	25,374,628	
2004	22,269,929	25,925,842	27,094,917		
2005	22,209,375	25,331,650			
2006	23,184,512				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.001
1995			1.005	1.001
1996		1.019	1.006	1.002
1997	1.188	1.021	1.006	0.999
1998	1.182	1.019	1.005	1.002
1999	1.190	1.016	1.010	1.001
2000	1.167	1.025	1.008	1.000
2001	1.171	1.020	1.004	1.003
2002	1.160	1.019	1.008	1.002
2003	1.162	1.017	1.006	
2004	1.164	1.045		
2005	1.141			
Five Year Average	1.160	1.025	1.007	1.002
Three Year Average	1.156	1.027	1.006	1.002
		Five Year	Three Year	
39 to 63 months:		1.009	1.008	
27 to 63 months:		1.034	1.035	
15 to 63 months:		1.199	1.196	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

l Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					206,916,210
1994				233,331,500	231,454,363
1995			228,518,512	229,930,990	228,709,369
1996		233,367,821	235,462,195	236,132,748	235,201,463
1997	223,031,412	233,438,810	235,883,068	235,598,697	235,812,089
1998	206,565,579	219,645,169	222,463,014	224,642,482	224,685,651
1999	205,887,660	218,424,231	222,979,961	225,159,783	225,604,890
2000	196,381,049	215,263,562	220,208,932	222,577,473	222,958,073
2001	201,389,100	218,201,822	224,336,154	227,922,447	227,957,646
2002	215,250,172	236,983,491	247,518,638	248,501,578	246,726,652
2003	232,679,660	261,971,315	271,616,183	274,368,834	
2004	248,338,211	273,629,061	284,259,798		
2005	244,328,393	269,837,289			
2006	250,273,017				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.992
1995			1.006	0.995
1996		1.009	1.003	0.996
1997	1.047	1.010	0.999	1.001
1998	1.063	1.013	1.010	1.000
1999	1.061	1.021	1.010	1.002
2000	1.096	1.023	1.011	1.002
2001	1.083	1.028	1.016	1.000
2002	1.101	1.044	1.004	0.993
2003	1.126	1.037	1.010	
2004	1.102	1.039		
2005	1.104			
Five Year Average	1.103	1.034	1.010	0.999
Three Year Average	1.111	1.040	1.010	0.998
		Five Year	Three Year	
39 to 63 months:		1.009	1.008	
27 to 63 months:		1.043	1.048	
15 to 63 months:		1.150	1.164	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

↳ Carriers

Ceded Only

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					108,825,115
1994				128,209,521	128,115,751
1995			142,135,035	142,123,346	142,108,158
1996		164,568,500	165,165,969	165,275,086	165,180,483
1997	164,735,209	167,004,182	167,306,180	167,296,545	167,273,880
1998	162,308,777	164,728,613	164,858,336	164,939,091	165,046,763
1999	169,379,308	173,241,702	174,050,519	174,349,873	174,303,618
2000	171,965,422	175,155,929	176,144,591	176,251,934	176,153,083
2001	174,737,622	178,432,361	178,835,194	178,971,419	178,785,419
2002	184,912,446	188,623,941	189,244,017	189,558,236	189,290,814
2003	197,382,473	202,333,093	203,179,529	202,436,763	
2004	200,713,883	206,889,729	213,601,416		
2005	207,964,849	212,977,664			
2006	212,646,023				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.000	1.000
1996		1.004	1.001	0.999
1997	1.014	1.002	1.000	1.000
1998	1.015	1.001	1.000	1.001
1999	1.023	1.005	1.002	1.000
2000	1.019	1.006	1.001	0.999
2001	1.021	1.002	1.001	0.999
2002	1.020	1.003	1.002	0.999
2003	1.025	1.004	0.996	
2004	1.031	1.032		
2005	1.024			

Five Year Average	1.024	1.009	1.000	1.000
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Three Year Average	1.027	1.013	1.000	0.999
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	Five Year	Three Year
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39 to 63 months:	1.000	0.999
27 to 63 months:	1.009	1.012
15 to 63 months:	1.033	1.039

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					23,630,626
1994				25,086,747	25,074,544
1995			25,648,559	25,661,644	25,652,374
1996		25,686,731	25,781,579	25,862,504	25,867,677
1997	24,548,467	25,134,101	25,370,242	25,411,387	25,374,700
1998	21,923,581	22,740,435	22,742,159	22,790,601	22,809,876
1999	21,229,796	21,958,458	21,973,012	22,066,630	22,062,956
2000	20,729,329	21,331,128	21,665,352	21,700,655	21,684,210
2001	20,650,857	21,561,388	21,642,458	21,638,115	21,655,362
2002	23,863,381	24,721,670	24,918,855	24,949,278	24,983,000
2003	24,446,885	25,192,828	25,312,065	25,405,917	
2004	25,197,147	26,330,797	27,237,339		
2005	24,696,848	25,703,310			
2006	26,047,665				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.004	1.003	1.000
1997	1.024	1.009	1.002	0.999
1998	1.037	1.000	1.002	1.001
1999	1.034	1.001	1.004	1.000
2000	1.029	1.016	1.002	0.999
2001	1.044	1.004	1.000	1.001
2002	1.036	1.008	1.001	1.001
2003	1.031	1.005	1.004	
2004	1.045	1.034		
2005	1.041			
Five Year Average	1.039	1.013	1.002	1.000
Three Year Average	1.039	1.016	1.002	1.000

Five Year Three Year

39 to 63 months:	1.002	1.002
27 to 63 months:	1.015	1.018
15 to 63 months:	1.055	1.058

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Ceded Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					192,223,320
1994				214,862,522	212,876,748
1995			210,810,908	211,795,604	210,556,254
1996		217,211,810	216,967,622	217,602,631	217,209,237
1997	211,627,542	218,412,337	220,339,650	219,645,245	220,344,356
1998	195,650,902	205,674,358	207,607,917	208,743,809	208,716,833
1999	196,309,996	206,166,123	208,393,001	209,685,094	210,024,688
2000	186,546,494	200,512,528	203,481,534	205,369,330	206,021,117
2001	187,225,613	197,058,436	200,406,820	203,252,699	202,943,496
2002	204,396,971	221,699,155	229,021,583	231,712,664	230,239,155
2003	219,972,271	242,908,169	250,945,100	253,565,651	
2004	232,321,218	253,194,667	262,099,282		
2005	226,414,016	247,137,063			
2006	229,408,467				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.991
1995			1.005	0.994
1996		0.999	1.003	0.998
1997	1.032	1.009	0.997	1.003
1998	1.051	1.009	1.005	1.000
1999	1.050	1.011	1.006	1.002
2000	1.075	1.015	1.009	1.003
2001	1.053	1.017	1.014	0.998
2002	1.085	1.033	1.012	0.994
2003	1.104	1.033	1.010	
2004	1.090	1.035		
2005	1.092			

Five Year Average	1.085	1.027	1.010	0.999
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Three Year Average	1.095	1.034	1.012	0.998
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	Five Year	Three Year
39 to 63 months:	1.009	1.010
27 to 63 months:	1.036	1.044
15 to 63 months:	1.124	1.143

(a) Losses are on a 30/60 level for 2002-2006.
Losses are on a 25/50 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Carriers

Ceded Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					107,380,745
1994				127,271,879	127,237,320
1995			140,420,439	140,477,803	140,460,539
1996		162,546,081	162,936,394	162,986,806	162,977,673
1997	162,535,050	164,517,977	164,737,946	164,773,858	164,765,181
1998	159,721,829	161,733,446	162,118,359	162,150,485	162,268,157
1999	165,757,986	169,929,612	170,680,939	171,015,760	170,984,689
2000	169,085,669	172,294,748	173,274,071	173,280,365	173,225,507
2001	169,875,643	173,553,538	173,838,983	174,089,757	173,817,993
2002	184,271,506	187,863,111	188,515,113	188,859,187	188,596,145
2003	196,601,286	201,661,507	202,507,621	201,743,011	
2004	199,707,863	205,894,813	212,575,880		
2005	206,998,720	212,021,149			
2006	211,613,142				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.000	1.000
1997	1.012	1.001	1.000	1.000
1998	1.013	1.002	1.000	1.001
1999	1.025	1.004	1.002	1.000
2000	1.019	1.006	1.000	1.000
2001	1.022	1.002	1.001	0.998
2002	1.019	1.003	1.002	0.999
2003	1.026	1.004	0.996	
2004	1.031	1.032		
2005	1.024			

Five Year Average	1.024	1.009	1.000	1.000
Three Year Average	1.027	1.013	1.000	0.999

	Five Year	Three Year
39 to 63 months:	1.000	0.999
27 to 63 months:	1.009	1.012
15 to 63 months:	1.033	1.039

(a) Losses are on a \$25,000 level for 2002-2006.
Losses are on a \$15,000 level for 1993-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers		Ceded Only				
Bodily Injury Paid Claims as of						
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months	
1993					28,240	
1994				35,440	35,841	
1995			36,716	37,835	38,143	
1996		36,894	39,659	40,836	41,218	
1997	26,942	36,944	39,389	40,576	40,965	
1998	25,384	34,420	36,925	38,125	38,525	
1999	24,897	34,561	37,200	38,446	38,848	
2000	23,775	32,731	35,176	36,296	36,621	
2001	22,980	31,619	33,759	34,860	35,183	
2002	24,397	33,258	35,831	37,025	36,876	
2003	25,045	34,384	37,005	38,013		
2004	26,159	35,552	38,924			
2005	25,931	34,564				
2006	25,826					

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.011
1995			1.030	1.008
1996		1.075	1.030	1.009
1997	1.371	1.066	1.030	1.010
1998	1.356	1.073	1.032	1.010
1999	1.388	1.076	1.033	1.010
2000	1.377	1.075	1.032	1.009
2001	1.376	1.068	1.033	1.009
2002	1.363	1.077	1.033	0.996
2003	1.373	1.076	1.027	
2004	1.359	1.095		
2005	1.333			
Five Year Average	1.361	1.078	1.032	1.007
Three Year Average	1.355	1.083	1.031	1.005
		Five Year	Three Year	
39 to 63 months:		1.039	1.036	
27 to 63 months:		1.120	1.122	
15 to 63 months:		1.524	1.520	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					58,463
1994				70,874	70,901
1995			75,089	75,169	75,194
1996		81,640	81,998	82,151	82,176
1997	78,944	81,332	81,631	81,732	81,748
1998	76,509	78,803	79,176	79,262	79,308
1999	76,753	80,051	80,409	80,606	80,624
2000	74,674	77,069	77,628	77,701	77,719
2001	74,519	77,098	77,344	77,419	77,448
2002	77,834	80,381	80,677	80,883	80,743
2003	87,316	90,166	90,512	90,071	
2004	91,524	94,326	97,326		
2005	92,753	95,104			
2006	89,866				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.001	1.000
1996		1.004	1.002	1.000
1997	1.030	1.004	1.001	1.000
1998	1.030	1.005	1.001	1.001
1999	1.043	1.004	1.002	1.000
2000	1.032	1.007	1.001	1.000
2001	1.035	1.003	1.001	1.000
2002	1.033	1.004	1.003	0.998
2003	1.033	1.004	0.995	
2004	1.031	1.032		
2005	1.025			
Five Year Average	1.031	1.010	1.000	1.000
Three Year Average	1.030	1.013	1.000	0.999
		Five Year	Three Year	
39 to 63 months:		1.000	0.999	
27 to 63 months:		1.010	1.012	
15 to 63 months:		1.041	1.042	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Ceded Only				
Medical Payments Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					20,969
1994				24,879	24,890
1995			25,815	25,942	25,959
1996		26,301	26,705	26,838	26,882
1997	21,602	25,302	25,707	25,828	25,845
1998	19,438	22,663	23,009	23,101	23,125
1999	18,261	21,392	21,759	21,939	21,965
2000	17,302	19,925	20,339	20,448	20,458
2001	16,847	19,301	19,575	19,658	19,687
2002	18,456	21,012	21,329	21,461	21,473
2003	18,066	20,715	21,069	21,154	
2004	18,092	20,664	21,431		
2005	18,512	20,932			
2006	18,976				

Claim Development Factors					
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.	
1994				1.000	
1995			1.005	1.001	
1996		1.015	1.005	1.002	
1997	1.171	1.016	1.005	1.001	
1998	1.166	1.015	1.004	1.001	
1999	1.171	1.017	1.008	1.001	
2000	1.152	1.021	1.005	1.000	
2001	1.146	1.014	1.004	1.001	
2002	1.138	1.015	1.006	1.001	
2003	1.147	1.017	1.004		
2004	1.142	1.037			
2005	1.131				
Five Year Average	1.141	1.021	1.005	1.001	
Three Year Average	1.140	1.023	1.005	1.001	

	Five Year	Three Year
39 to 63 months:	1.006	1.006
27 to 63 months:	1.027	1.029
15 to 63 months:	1.172	1.173

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					28,468
1994				36,189	36,045
1995			38,351	38,363	38,301
1996		41,266	41,368	41,530	41,450
1997	41,260	41,138	41,319	41,292	41,250
1998	39,005	38,775	38,797	38,914	38,778
1999	38,986	38,853	39,282	39,205	39,107
2000	36,838	37,200	37,022	36,976	36,882
2001	37,219	35,853	35,621	35,599	35,409
2002	39,356	38,134	37,913	37,765	37,126
2003	40,975	39,387	39,113	38,787	
2004	41,989	40,817	40,850		
2005	40,751	39,204			
2006	40,069				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.996
1995			1.000	0.998
1996		1.002	1.004	0.998
1997	0.997	1.004	0.999	0.999
1998	0.994	1.001	1.003	0.997
1999	0.997	1.011	0.998	0.998
2000	1.010	0.995	0.999	0.997
2001	0.963	0.994	0.999	0.995
2002	0.969	0.994	0.996	0.983
2003	0.961	0.993	0.992	
2004	0.972	1.001		
2005	0.962			
Five Year Average	0.965	0.995	0.997	0.994
Three Year Average	0.965	0.996	0.996	0.992
		Five Year	Three Year	
39 to 63 months:		0.991	0.988	
27 to 63 months:		0.986	0.984	
15 to 63 months:		0.951	0.950	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					58,493
1994				70,934	70,917
1995			75,189	75,196	75,203
1996		81,912	82,096	82,192	82,188
1997	80,631	81,567	81,726	81,761	81,763
1998	78,316	79,137	79,269	79,297	79,318
1999	79,054	80,677	80,528	80,656	80,655
2000	76,483	77,446	77,837	77,841	77,817
2001	76,336	77,480	77,559	77,596	77,459
2002	79,895	80,685	80,821	80,918	80,751
2003	89,550	90,345	90,578	90,101	
2004	93,265	94,590	97,387		
2005	94,190	95,253			
2006	91,277				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				1.000
1995			1.000	1.000
1996		1.002	1.001	1.000
1997	1.012	1.002	1.000	1.000
1998	1.010	1.002	1.000	1.000
1999	1.021	0.998	1.002	1.000
2000	1.013	1.005	1.000	1.000
2001	1.015	1.001	1.000	0.998
2002	1.010	1.002	1.001	0.998
2003	1.009	1.003	0.995	
2004	1.014	1.030		
2005	1.011			

Five Year Average	1.012	1.008	1.000	0.999
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Three Year Average	1.011	1.012	0.999	0.999
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Five Year Three Year

39 to 63 months:	0.999	0.998
27 to 63 months:	1.007	1.010
15 to 63 months:	1.019	1.021

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers	Ceded Only				
Medical Payments Incurred Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					20,992
1994				24,938	24,913
1995			25,938	25,970	25,970
1996		26,686	26,829	26,889	26,896
1997	24,745	25,650	25,859	25,859	25,857
1998	22,385	23,167	23,099	23,146	23,140
1999	21,292	21,826	21,903	21,977	21,975
2000	19,804	20,291	20,448	20,497	20,484
2001	19,334	19,651	19,696	19,703	19,698
2002	21,431	21,476	21,482	21,496	21,493
2003	20,948	21,045	21,150	21,183	
2004	20,951	21,006	21,546		
2005	21,081	21,263			
2006	21,717				

Claim Development Factors				
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.999
1995			1.001	1.000
1996		1.005	1.002	1.000
1997	1.037	1.008	1.000	1.000
1998	1.035	0.997	1.002	1.000
1999	1.025	1.004	1.003	1.000
2000	1.025	1.008	1.002	0.999
2001	1.016	1.002	1.000	1.000
2002	1.002	1.000	1.001	1.000
2003	1.005	1.005	1.002	
2004	1.003	1.026		
2005	1.009			
Five Year Average	1.007	1.008	1.002	1.000
Three Year Average	1.006	1.010	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.002	1.001
27 to 63 months:	1.010	1.011
15 to 63 months:	1.017	1.017

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Ceded Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			
1996		4,372	1,635
1997	14,318	4,194	1,709
1998	13,621	4,355	1,930
1999	14,089	4,292	1,872
2000	13,063	4,469	2,082
2001	14,239	4,234	1,846
2002	14,959	4,876	1,862
2003	15,930	5,003	2,082
2004	15,830	5,265	2,108
2005	14,820	4,640	1,926
2006	14,243		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.391
1997	0.293	0.460
1998	0.320	0.430
1999	0.305	0.485
2000	0.342	0.413
2001	0.297	0.440
2002	0.326	0.427
2003	0.314	0.421
2004	0.333	0.366
2005	0.313	
Five Year Average	0.317	0.413
Three Year Average	0.320	0.405
	Five Year	Three Year
27 to 39 months:	0.413	0.405
15 to 39 months:	0.131	0.130

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Ceded Only		
	Property Damage Outstanding Claims as of		
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			100
1996		272	98
1997	1,687	235	95
1998	1,807	334	93
1999	2,301	626	119
2000	1,809	377	209
2001	1,817	382	215
2002	2,061	304	144
2003	2,234	179	66
2004	1,741	264	61
2005	1,437	149	
2006	1,411		

Claim Development Factors		
Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.360
1997	0.139	0.404
1998	0.185	0.278
1999	0.272	0.190
2000	0.208	0.554
2001	0.210	0.563
2002	0.148	0.474
2003	0.080	0.369
2004	0.152	0.231
2005	0.104	
Five Year Average	0.139	0.438
Three Year Average	0.112	0.358

	Five Year	Three Year
27 to 39 months:	0.438	0.358
15 to 39 months:	0.061	0.040

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers	Ceded Only		
	Medical Payments Outstanding Claims as of		
Accident Year	15 Months	27 Months	39 Months
1993			
1994			
1995			123
1996		385	124
1997	3,143	348	152
1998	2,947	504	90
1999	3,031	434	144
2000	2,502	366	109
2001	2,487	350	121
2002	2,975	464	153
2003	2,882	330	81
2004	2,859	342	115
2005	2,569	331	
2006	2,741		

Claim Development Factors		
Accident Year	15-27 Mo.	27-39 Mo.
1994		
1995		
1996		0.322
1997	0.111	0.437
1998	0.171	0.179
1999	0.143	0.332
2000	0.146	0.298
2001	0.141	0.346
2002	0.156	0.330
2003	0.115	0.245
2004	0.120	0.336
2005	0.129	
Five Year Average	0.132	0.311
Three Year Average	0.121	0.304
	Five Year	Three Year
27 to 39 months:	0.311	0.304
15 to 39 months:	0.041	0.037

Exhibit (3)(i)
Exhibit (7)(c)

Responses provided in connection with items (3)(i) and (7)(c) in the Rate Bureau's February 1, 2008 filing are enclosed herewith.



Steven D. Armstrong
Senior Actuary, F.C.A.S.,
M.A.A.A.

December 12, 2007

F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau

Dear Tim,

Included below are Allstate Insurance Company's responses to issues regarding reserve strengthening and expense cutting initiatives for the Allstate Insurance Company and Allstate Indemnity Company Private Passenger Non-Fleet Auto Programs in North Carolina.

With respect to 11 N.C.A.C. 10.1104 (3) (i), which states,

For each of the fifteen largest writers of private passenger automobile insurance in North Carolina, a statement regarding any reserve strengthening or weakening that has occurred in the last five years shall be included.

Allstate's response to this is that there have been **no** material changes with regard to Allstate's reserving practices of private passenger automobile insurance in the state of North Carolina over the past five years.

With respect to 11 N.C.A.C. 10.1104 (7) (c), which states,

For each of the ten largest writers of private passenger automobile insurance in North Carolina, statements regarding any expense cutting activities undertaken in the last five years shall be provided.

Allstate did not make any material expense-cutting changes in 2007. However, as noted in last year's response, dated November 29, 2006:

In early 2006, Allstate undertook an expense-saving initiative that was intended to reduce the size of Allstate's workforce and thus reduce salary expenses. For purposes of ratemaking, Allstate has reduced its General Expense provision – which includes the charge for salaries – by the amount of anticipated salary savings.

Tim Lucas
December 4, 2007
Page 2

The last expense cutting initiative prior to 2006 affected the 2003 data (as responded to in a letter dated December 5th, 2003). Included here is that response from that December 5th letter:

Allstate's response to this is that there have been some structural changes in North Carolina, and indeed around the country, to close claims offices. The result of the closing of these claims offices is a reduction in unallocated loss adjustment expenses due to the reduction of staff and elimination of operational expenses incurred at these claims offices. For purposes of ratemaking, Allstate uses a countrywide provision to account for unallocated loss adjustment expenses. Given this, the unallocated loss adjustment expense provision from last year may be slightly overstated. These measures in closing claims offices were more intended to increase efficiency rather than cut costs. For these reasons, Allstate wants to make the North Carolina Rate Bureau aware of its actions with the understanding that Allstate does not think that it will have any measurable impact on the ratemaking data submitted by Allstate.

Please contact me if you have any questions or require further details.

Sincerely,

Steven D. Armstrong
F.C.A.S, M.A.A.A
sarm2@allstate.com
1-800-366-2958 x23994



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Nov 30, 2007

To: Debbie Spence
Support Assistant III
North Carolina Rate Bureau
Raleigh NC 27619-6010
Telephone: (919) 582-1023
Fax: (919) 719-7402

Re: Reserve Strengthening

The Erie Insurance Group began implementing Colossus and the Soft Tissue Evaluation program in 1998-1999 in order to establish more accurate case reserves. We continued with these claims initiatives in 2007, and so the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2007 has not changed materially from the criteria used over the latest five years. The relative adequacy level of case reserves is examined during the quarterly reserve analysis. Relative case reserve adequacy levels appear to be quite consistent over the last three to five years.

Sincerely,



Kevin L. Russell, FCAS, MAAA

F-100



- Government Employees Insurance Company
- GEICO General Insurance Company
- GEICO Indemnity Company
- GEICO Casualty Company

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2008

Mr. Tim Lucas
North Carolina Rate Bureau
Box 176010
Raleigh, North Carolina 27619-6010

RE: Government Employees Insurance Company- Bureau Letter Asking for
Reserve Strengthening and Expense Control Information

Dear Mr. Lucas:

The GEICO Companies did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at the GEICO companies and for that reason, GEICO believes that its historical experience is an appropriate basis for determining the expense provisions in your rate calculations and that no special adjustments are necessary.

The criteria used by Government Employees Insurance Company in North Carolina for establishing case basis reserves for the accident year ended December 31, 2006 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,

Joseph Termini, Jr.,
Senior Counsel
478-744-5705

December 18, 2007

Mr. Tim Lucas
Personal Lines Manager
North Carolina Rate Bureau
PO Box 176010
Raleigh, NC 27619

Re: NCRB request regarding Insurance Department Regulations for Integon National Insurance Company

Dear Tim:

Per your request, we are responding as follows:

Statement Concerning Reserve Strengthening Activities Over The Past Five Years:

All of the Integon companies, including Integon National Insurance Company, use a formula-based reserving system to establish reserves for claims with expected settlements under \$50,000. For claims with expected settlements in excess of \$50,000, the companies establish individual case reserves setup by knowledgeable claims personnel.

The formula reserve amounts have changed slightly over the past 5 years as trends have changed, but the amount of change has not been material. The criteria used for establishing both formula and case reserves have not changed materially over the past 5 years.

Statement Concerning Expense Cutting Activities Over The Past Five Years:

There has not been any recent expense cutting activities for the Integon National that would indicate a material change in future expense ratios. In the past 5 years, expense reduction activities have been largely offset by additional investments being made in various initiatives such as agency-related internet capabilities, consolidation of multiple policy reporting systems, various other information technology projects, and enhanced marketing initiatives. GMAC Insurance, including the Integon companies, remains expense competitive, and operates with an ongoing priority on spending controls.

Sincerely,

Art Lyon, CPCU
Executive Consultant

Kemper

A UNITRIN BUSINESS

National Headquarters
5210 Belfort Road
Suite 120
Jacksonville, FL 32256

December 10, 2007

North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

Re: Reserve Strengthening
11 N.C.A.C. 10.1104 (3) (g)
11 NCAC 10.1105 (7) (c)
Unitrin Auto and Home

Unitrin Auto and Home has not had any material changes (either strengthening or weakening) to case reserving practices within the last 5 years. Neither have we made any material changes to expense activities or service levels during the last 5 years.

Sincerely,
Amy G. Brown
Regional Product Manager
Kemper
904-245-5635
abrown@ekemper.com

F-103

5210 Belfort Road, Suite 120

Jacksonville, FL 32256

www.kemperautoandhome.com



Liberty Mutual Group

2875 Browns Bridge Road
Gainesville, GA 30504
Telephone: (770)536-8761

January 3, 2008

North Carolina Rate Bureau
Reinsurance Facility
F. Timothy Lucas
P.O. Box 176010
Raleigh, North Carolina 27619-6010

RE: Insurance Department Regulations

Dear Mr. Lucas:

I am writing in response to your letter of November 29, 2007.

This is to confirm that Liberty Mutual's personal lines automobile claims case reserving practices for losses in North Carolina have remained materially unchanged from 2005 to 2006. Our philosophy on establishing claim case reserves has been essentially and effectively the same for the period in question.

If I can be of any further assistance please do not hesitate to contact me at the above number.

Regards,

Erik S. McDowell
Regional Claims Manager

November 29, 2007

VIA EMAIL

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, NC 27609

Re: Statement of Expense Control and Reserve Strengthening or Weakening

Dear Mr. Lucas:

I am providing the following information concerning expense cutting activities and reserve strengthening for Nationwide Mutual Insurance Company, Nationwide Mutual Fire Insurance Company, Nationwide Property & Casualty Company, and Nationwide Affinity Insurance Company of America.

Nationwide has begun a large scale integration process of its legacy systems. This involves consolidating some legacy systems and replacing others with more updated systems. This process is expected to take around five years. It will result in an expense savings once the integration effort is complete. However, there is expected to be a material increase in our general expense allocation during that time while the integration effort is taking place.

We have reported the following significant changes for reserve strengthening in prior years' statements. There are no additional material changes to reserves which have not been previously reported.

Issue 1 - Change in calendar year 2003

The process Nationwide uses for establishing BI case reserves changed in July 2003. These comments apply to reserves for claims in the first six months after the claim is reported. After the sixth month, case reserves apply exclusively, and there have been no changes in practices for case reserving. Also, case reserves are expected to be applied whenever the claim value is expected to be \$50,000 or higher (no change in this practice).

In July 2003, we changed our BI reserving process and replaced formula reserves with "average" reserves for the first six months after claim report. Now "average" reserve amounts by state are determined, and this amount applies to each open claim through the sixth month, after which the average is replaced with a case reserve.

The average reserve amounts are quite a bit larger (\$7,600 for retained, \$5,100 for ceded) than the previous initial formula reserve amounts (\$3,300). With the formula reserve process, we were spreading the initial average across all claims, including the claims that

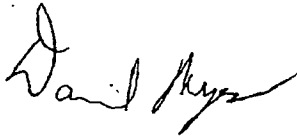
quickly closed without payment or with a very small payment. Once these zero or small amount claims were settled, the succeeding month's formula reserve amounts would increase. Overall, it appears that the early reserves were lower under the new average reserves than under the previous formula reserves, resulting in more upward development as claims were case reserved.

Issue 2 - Change in calendar year 2004

After converting from formula to average reserves for BI in 2003, we shortened the duration of average reserves in April 2004. Now, instead of applying for six months, they apply only for three, with case reserves applying at the end of the fourth month. That will affect some accident year 2003 claims that were reported in late 2003 or early 2004, as they are now case reserved earlier than they would have been before.

Please contact me if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Daniel Myers". The signature is fluid and cursive, with the first name "Daniel" being more prominent than the last name "Myers".

Daniel Myers, FCAS, MAAA
Pricing Manager
Standard Auto Product & Pricing
myersda@nationwide.com
(614) 249-5955



**North Carolina
Farm Bureau Insurance Group**

Telephone 919-782-1705 • Post Office Box 27427 • Raleigh, NC 27611

December 13, 2007

Mr. Tim Lucas
N.C. Rate Bureau
5401 Six Forks Road
Raleigh, NC 27619-6010

RE: North Carolina Farm Bureau Mutual Insurance Company
Farm Bureau Insurance of N.C., Inc.
Insurance Department Regulations
North Carolina Personal Auto
Reserve Strengthening
Expense Cutting Activities

Tim:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know.

A handwritten signature in black ink, appearing to read "Roger Batdorff".

Roger Batdorff
Senior Executive
Actuarial & Research, Financial/Investments

RB/cww

RECEIVED

DEC 14 2007

N.C. RATE BUREAU

F-107

December 10, 2007

North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

Attention: F. Timothy Lucas

The Progressive Companies have not changed the criteria for establishing case basis reserves for the accident year that will end December 31, 2007 in North Carolina.

The case reserves carried by The Progressive Companies are generally average reserves as determined by the Corporate Actuarial Area. An exception exists when an adjuster estimates that the case reserve for a particular claim needs to be greater than or equal to a predetermined threshold (\$75,000 for BI & UMBI claims and \$25,000 for most other coverages). Progressive carries the adjuster's estimate for these larger reserves. The average reserves vary by product, coverage, age of claim, and even cause of loss for the Comprehensive claims. They also vary by limit for Bodily Injury and UMBI claims. All averages may be adjusted each month based on an inflation factor.

The IBNR reserves are maintained between reviews utilizing an algorithm that establishes balances based on a factor applied to the Earned Premium. The factors vary by product, coverage and limit again for Bodily Injury and UMBI.

Progressive's actuarial area develops an indication of the needed reserves for North Carolina Bodily Injury (BI) coverage two times each year. During 2007 the North Carolina BI reviews were completed on the direct, ceded, and net business separately. The last review completed in 2007 was for Bodily Injury and included data evaluated through July 31, 2007. As a result of this review, the carried balance of \$32.0 million of direct loss reserves (\$24.6 million ceded & \$7.4 million net) were decreased by approximately \$0.5 million or 1.6% of the carried reserve as we are seeing favorable trends regarding the development of our carried case reserves. The loss reserves for all auto coverages are approximately \$37 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$2.0 million or 5.3%.

During 2007 Defense and Cost Containment (DCC) reserves for the Bodily Injury (BI) coverage was reviewed once in August with data through July 31, 2007. As a result of this review North Carolina direct BI DCC reserves of \$3.9 million were decreased by \$500,000 or 12.7%. This was the first time we reviewed the state's BI DCC reserves separately. The Adjusting and all Other expense (A&O) reserves were also reviewed for the state in total in August with data through July 31. The North Carolina direct A&O reserves of \$5.0 million were decreased by \$428,000 or 8.3%. The LAE reserves for all coverages for auto are approximately \$9.4 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$0.8 million or 9.0%.

Generally, there has not been a change to Progressive's objective regarding reserving and the process has been consistent for the past seven years in regard to loss

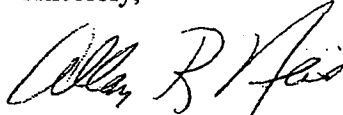
reserves while the reviews of LAE reserves have been enhanced in the last years incorporating North Carolina only data for our reserve reviews into the process.

For a discussion of Progressive's process in reviewing and changing reserve levels please review the "Report on Loss Reserving Practices" available under the Investor Relations section on Progressive's Web site, Progressive.com.

Progressive has undertaken modest expense cutting activities in the last year having the largest impact on Adjusting and all Other expenses for our private passenger non-fleet motor vehicle coverages. These changes will only modestly impact our anticipated expense levels in North Carolina.

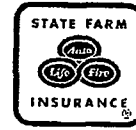
If you have any more questions please contact Al Neis, Corporate Actuary at (440) 395-2331.

Sincerely,

A handwritten signature in cursive script, appearing to read "Allan R. Neis".

Allan R. Neis, FCAS, MAAA
Corporate Actuary

State Farm Mutual Automobile Insurance Company



Steve Harr, F.C.A.S., MAAA
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4
Bloomington, Illinois 61710
Phone: 309.766.3568
Fax: 309.766.5021
E-mail: steve.harr.bb5b@statefarm.com

December 12, 2007

Ms. Debbie Spence
Support Assistant III
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, NC 27609-4435

Dear Ms. Spence:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated November 29, 2007 requested two items required from the largest writers of liability and physical damage private passenger automobile insurance in North Carolina.

The first item concerned reserves. In response to your question, State Farm has not made any changes in the past five years that have a material impact on the reserves established in North Carolina.

The second item concerned expenses. State Farm has long recognized that expense control is a key to remaining competitive in the insurance marketplace. It is important to note that expense control does not necessarily imply expense reduction. Attracting and retaining quality personnel, providing top-notch services and investing in technology may be just as important to a company's competitive position as a low price for the insurance product. In the end, it is through consumer forces in the marketplace that a balance is stricken between quality of service and price for those services.

It would be virtually impossible to fully describe all "expense cutting activities" (i.e., pre-sorting mail, recycling paper, reorganizing jobs, automating jobs, consolidating jobs, ordering supplies from a different vendor, providing new software to an underwriter, streamlining a claims procedure, redesigning a code sheet, improving the training courses, etc.). Expense control is a continuous and evolving function of managing our business. It is also difficult to describe the many investments we've made in our business that have put upward pressure on our expenses (i.e., establishing an Internet presence, updating our systems as new technology becomes available, etc.).

We are continuing our extensive review of every aspect of our company's operation in an effort to further streamline workflow and processes and to invest in technological advances where appropriate while striving to improve the service provided to our customers.

Because expense review is a continuing effort, we feel that no special adjustments are necessary for your rate calculation.

Sincerely,

Steve Harr
Actuary and Assistant Secretary-Treasurer

SH:kw



We know what it means to serve.™

INSURANCE • INVESTMENTS • BANKING • MEMBER SERVICES

December 10, 2007

Debbie Spence
North Carolina Rate Bureau
Fax: (919) 719-7402

RE: USAA Casualty Insurance Company
Insurance Department Regulations
North Carolina Automobile
Reserve Strengthening
Expense Cutting Activities

Ms. Spence:

Our company has not changed its procedures for setting case loss reserves over the last 5 years.

If I can be of further assistance, let me know. I can be reached at (210) 913-7202.

Lisa Sukow
Actuary
P&C Actuary

LS/das



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INSURANCE - INVESTMENTS - BANKING - MEMBER SERVICES

December 10, 2007

Debbie Spence
North Carolina Rate Bureau
Fax: (919) 719-7402

RE: United Services Automobile Association
Insurance Department Regulations
North Carolina Automobile
Reserve Strengthening
Expense Cutting Activities

Ms. Spence:

Our company has not changed its procedures for setting case loss reserves over the last 5 years. We also have not taken on any expense cutting activities that would impact the expense levels in North Carolina.

If I can be of further assistance, let me know. I can be reached at (210) 913-7202.

Lisa Sukow
Actuary
P&C Actuary

LS/das

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

4. TRENDING FACTOR DEVELOPMENT AND APPLICATION

See attached exhibits, Section D of RF-1 and pre-filed testimony of P. Woods.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2006 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2004	1.092	0.921	1.006	1.018	1.012
	2005	1.045	0.972	1.016	1.018	1.018
	2006	1.000	1.000	1.000	1.018	1.018
Property Damage	2004	1.055	0.959	1.012	1.020	1.014
	2005	1.041	0.984	1.024	1.020	1.021
	2006	1.000	1.000	1.000	1.020	1.020
Medical Payments	2004	1.030	0.908	0.935	0.995	0.984
	2005	1.015	0.967	0.982	0.995	0.992
	2006	1.000	1.000	1.000	0.995	0.995

(a) 2004 Claim Cost Change = (2006 Claim Cost) / (2004 Claim Cost).
2005 Claim Cost Change = (2006 Claim Cost) / (2005 Claim Cost).

(b) 2004 Claim Frequency Change = (2006 Claim Frequency)
/ (2004 Claim Frequency). 2005 Claim Frequency Change =
(2006 Claim Frequency) / (2005 Claim Frequency).

(c) Current Cost Factor = Column (2) * Column (3)

(d) Annualized Trend for 2004 and 2005

$$= [(COL(5))^m \times (COL(4))^{(1/n)}]$$

where m is the number of years of projection of the 2006 trend factor from 7/1/2006 to 7/12/2009, 3.03, Col (4) represents the Current Cost Factor to 7/1/2006, and n represents the number of years of projection for a given prior year, 4.03 for 2005 and 5.03 for 2004.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2004 and 2005

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2004	\$ 6,410	1.51
	2005	6,697	1.43
	2006	7,001	1.39
Property Damage	2004	\$ 2,546	3.92
	2005	2,580	3.82
	2006	2,685	3.76
Medical Payments	2004	\$ 1,784	1.31
	2005	1,810	1.23
	2006	1,837	1.19

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-125 and F-127.

(b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data.

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIMS ARISING	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR		PCT. CHANGE FROM SAME QTR PRIOR YEAR	
						AVERAGE LOSS	LOSS		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR		
3/2002	825,590	9,199	13,849	68,074,966	1.11	7,400	82.46	1.68				
6/2002	811,763	9,385	14,262	68,102,954	1.16	7,257	83.90	1.76				
9/2002	838,317	9,464	14,904	70,287,498	1.13	7,427	83.84	1.78				
12/2002	819,089	9,922	15,668	72,680,196	1.21	7,325	88.73	1.91				
3/2003	873,906	10,228	15,285	73,805,747	1.17	7,216	84.46	1.75	2.4	4.2	4.2	
6/2003	855,596	10,284	16,917	78,296,920	1.20	7,613	91.51	1.98	9.1	12.5	12.5	
9/2003	887,083	10,395	16,809	78,524,262	1.17	7,554	88.52	1.89	5.6	6.2	6.2	
12/2003	878,810	11,226	17,323	85,301,765	1.28	7,599	97.07	1.97	9.4	3.1	3.1	
3/2004	900,941	10,103	15,560	77,312,219	1.12	7,652	85.81	1.73	1.6	-1.1	-1.1	
6/2004	886,614	10,154	16,489	80,189,729	1.15	7,897	90.44	1.86	-1.2	-6.1	-6.1	
9/2004	918,048	10,379	16,811	88,003,150	1.13	8,479	95.86	1.83	8.3	-3.2	-3.2	
12/2004	904,395	10,908	17,709	85,624,227	1.21	7,850	94.68	1.96	-2.5	-0.5	-0.5	
3/2005	930,668	10,156	15,627	81,768,092	1.09	8,051	87.86	1.68	2.4	-2.9	-2.9	
6/2005	913,706	10,840	16,902	84,232,115	1.19	7,770	92.19	1.85	1.9	-0.5	-0.5	
9/2005	948,029	10,562	15,538	86,078,084	1.11	8,150	90.80	1.64	-5.3	-10.4	-10.4	
12/2005	947,490	10,932	16,770	90,392,766	1.15	8,269	95.40	1.77	0.8	-9.7	-9.7	
3/2006	967,782	10,499	15,995	87,961,369	1.08	8,378	90.89	1.65	3.4	-1.8	-1.8	
6/2006	967,050	10,267	16,076	85,943,517	1.06	8,371	88.87	1.66	-3.6	-10.3	-10.3	
9/2006	978,778	9,931	15,558	100,657,442	1.01	10,136	102.84	1.59	13.3	-3.0	-3.0	
12/2006	976,386	11,251	17,949	97,876,125	1.15	8,699	100.24	1.84	5.1	4.0	4.0	
3/2007	1,001,860	10,394	16,023	93,103,345	1.04	8,957	92.93	1.60	2.2	-3.0	-3.0	
6/2007	1,002,827	10,834	16,007	103,762,359	1.08	9,577	103.47	1.60	16.4	-3.6	-3.6	
9/2007	1,012,788	10,507	15,197	100,811,169	1.04	9,595	99.54	1.50	-3.2	-5.7	-5.7	
4 QTRS ENDING												
12/2002	3,294,759	37,970	58,683	279,145,614	1.15	7,352	84.72	1.78				
3/2003	3,343,075	38,999	60,119	284,876,395	1.17	7,305	85.21	1.80				
6/2003	3,386,908	39,898	62,774	295,070,361	1.18	7,396	87.12	1.85				
9/2003	3,435,674	40,829	64,679	303,307,125	1.19	7,429	88.28	1.88				
12/2003	3,495,395	42,133	66,334	315,928,694	1.21	7,498	90.38	1.90	6.7	6.7	6.7	
3/2004	3,522,430	42,008	66,609	319,435,166	1.19	7,604	90.69	1.89	6.4	5.0	5.0	
6/2004	3,553,448	41,878	66,181	321,327,975	1.18	7,673	90.43	1.86	3.8	0.5	0.5	
9/2004	3,584,413	41,862	66,183	330,806,863	1.17	7,902	92.29	1.85	4.5	-1.6	-1.6	
12/2004	3,609,998	41,544	66,569	331,429,325	1.15	7,971	91.73	1.84	1.5	-3.2	-3.2	
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	8,068	92.20	1.83	1.7	-3.2	-3.2	
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	8,032	92.62	1.83	2.4	-1.6	-1.6	
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	7,952	91.35	1.78	-1.0	-3.8	-3.8	
12/2005	3,739,893	42,490	64,837	342,471,057	1.14	8,060	91.57	1.73	-0.2	-6.0	-6.0	
3/2006	3,777,007	42,833	65,205	348,664,334	1.13	8,140	92.31	1.73	0.1	-5.5	-5.5	
6/2006	3,861,100	42,260	64,379	350,375,736	1.10	8,291	91.47	1.68	-1.2	-8.2	-8.2	
9/2006	3,889,996	41,629	64,399	364,955,094	1.08	8,767	94.52	1.67	3.5	-6.2	-6.2	
12/2006	3,889,996	41,948	65,578	372,438,453	1.08	8,879	95.74	1.69	4.6	-2.3	-2.3	
3/2007	3,924,074	41,843	65,606	377,580,429	1.07	9,024	96.22	1.67	4.2	-3.5	-3.5	
6/2007	3,959,851	42,410	65,537	395,399,271	1.07	9,323	99.85	1.66	9.2	-1.2	-1.2	
9/2007	3,993,861	42,986	65,176	395,552,998	1.08	9,202	99.04	1.63	4.8	-2.4	-2.4	
ANNUAL RATE OF CHANGE (20 PT.)												
ANNUAL RATE OF CHANGE (12 PT.)												
ANNUAL RATE OF CHANGE (9 PT.)												
ANNUAL RATE OF CHANGE (6 PT.)												

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
					FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR					
3/2002	825,590	28,356	69,379,031	3.43			2,447			84.04	
6/2002	811,763	27,575	67,896,818	3.40			2,462			83.64	
9/2002	838,317	28,348	70,075,204	3.38			2,472			83.59	
12/2002	819,089	28,326	70,503,157	3.46			2,489			86.08	
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
9/2006	978,778	31,871	84,011,271	3.26	-4.4		2,636	5.4		85.83	0.6
12/2006	976,386	34,410	90,141,112	3.52	8.6		2,620	0.5		92.32	9.3
3/2007	1,001,860	34,420	94,035,125	3.44	0.3		2,732	4.2		93.86	4.2
6/2007	1,002,827	33,826	88,249,049	3.37	5.0		2,609	-0.9		88.00	4.2
9/2007	1,012,788	33,103	88,850,270	3.27	0.3		2,684	1.8		87.73	2.2

4 QTRS ENDING

12/2002	3,294,759	112,605	277,854,210	3.42			2,468			84.33	
3/2003	3,343,075	114,448	284,051,934	3.42			2,482			84.97	
6/2003	3,386,908	117,343	291,224,366	3.46			2,482			85.99	
9/2003	3,435,674	120,470	300,792,538	3.51			2,497			87.55	
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
9/2006	3,861,100	126,805	332,865,420	3.28	-6.6		2,625	4.0		86.21	-2.6
12/2006	3,889,996	130,533	342,972,779	3.36	-2.3		2,627	4.0		88.17	1.5
3/2007	3,924,074	131,713	349,869,879	3.36	-1.8		2,656	4.1		89.16	2.2
6/2007	3,959,851	134,527	356,436,557	3.40	2.4		2,650	2.3		90.01	4.6
9/2007	3,993,861	135,759	361,275,556	3.40	3.7		2,661	1.4		90.46	4.9

ANNUAL RATE OF CHANGE (20 PT.)	1.6
ANNUAL RATE OF CHANGE (12 PT.)	2.5
ANNUAL RATE OF CHANGE (9 PT.)	3.0
ANNUAL RATE OF CHANGE (6 PT.)	2.0

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 DATA ENDED SEPTEMBER 2007

NORTH CAROLINA BODILY INJURY

		STRAIGHT LINE		
COST	END POINT		MID POINT	EXPONENTIAL
15 points	5.2%		5.7%	5.8%
12 points	5.9%		6.4%	6.5%
9 points	7.9%		8.7%	9.0%
6 points	7.8%		8.2%	8.6%

		STRAIGHT LINE		
FREQ	END POINT		MID POINT	EXPONENTIAL
15 points	-3.4%		-3.2%	-3.1%
12 points	-3.3%		-3.2%	-3.1%
9 points	-4.0%		-3.8%	-3.7%
6 points	-1.5%		-1.5%	-1.5%

NORTH CAROLINA PROPERTY DAMAGE

		STRAIGHT LINE		
COST	END POINT		MID POINT	EXPONENTIAL
15 points	2.1%		2.2%	2.2%
12 points	2.4%		2.5%	2.5%
9 points	2.9%		3.0%	3.0%
6 points	1.9%		2.0%	2.0%

		STRAIGHT LINE		
FREQ	END POINT		MID POINT	EXPONENTIAL
15 points	-2.2%		-2.1%	-2.1%
12 points	-2.1%		-2.0%	-2.0%
9 points	-1.3%		-1.3%	-1.2%
6 points	2.5%		2.6%	2.6%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED SEPTEMBER 2007

NORTH CAROLINA BODILY INJURY

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.94	0.95
12 points	0.93	0.93
9 points	0.97	0.97
6 points	0.93	0.92
FREQ		
15 points	-0.96	-0.96
12 points	-0.93	-0.93
9 points	-0.91	-0.91
6 points	-0.68	-0.68

NORTH CAROLINA PROPERTY DAMAGE

	STRAIGHT LINE	EXPONENTIAL
COST		
15 points	0.96	0.96
12 points	0.96	0.96
9 points	0.96	0.96
6 points	0.92	0.92
FREQ		
15 points	-0.85	-0.84
12 points	-0.74	-0.74
9 points	-0.43	-0.42
6 points	0.87	0.87

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIMS ARISING	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	
						PAID CLAIMS ARISING	PAID LOSSES		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR
3/2002	18,148,299	211,219	312,933	1,816,792,922	1.16	8,601	100.11	1.72	1.76	1.72	1.72	1.76	1.76
6/2002	18,242,292	211,284	320,856	1,904,179,733	1.16	9,012	104.38	1.76	1.71	1.76	1.71	1.68	1.68
9/2002	18,340,077	206,594	314,496	1,877,750,900	1.13	9,089	102.39	1.71	1.76	1.71	1.76	1.68	1.68
12/2002	18,176,895	213,306	320,755	1,970,564,849	1.17	9,238	108.41	1.76	2.8	1.76	1.67	1.67	1.67
3/2003	18,179,757	207,248	303,226	1,870,458,210	1.14	9,025	102.89	2.8	3.6	2.8	2.8	3.6	3.6
6/2003	18,251,643	208,771	306,629	1,973,954,136	1.14	9,455	108.15	3.6	3.3	3.6	3.3	3.3	3.3
9/2003	18,395,616	204,815	308,579	1,944,912,001	1.11	9,496	105.73	3.3	1.7	3.3	1.72	1.68	1.68
12/2003	18,358,390	214,297	314,933	2,023,736,605	1.17	9,444	110.23	1.72	3.1	1.72	1.61	1.61	1.61
3/2004	18,377,969	211,317	296,650	1,948,798,586	1.15	9,222	106.04	3.1	2.2	3.1	1.62	1.62	1.62
6/2004	18,517,621	207,031	300,066	2,012,695,575	1.12	9,722	108.69	1.62	2.8	1.62	1.62	1.62	1.62
9/2004	18,705,775	203,078	299,938	1,996,461,042	1.09	9,831	106.73	0.9	3.5	0.9	1.60	1.60	1.60
12/2004	18,692,046	207,675	307,802	2,061,198,548	1.11	9,925	110.27	1.65	5.1	1.65	1.65	1.65	1.65
3/2005	18,778,684	202,515	291,398	1,940,750,393	1.08	9,583	103.35	1.55	3.9	1.55	1.55	1.55	1.55
6/2005	18,951,272	202,550	297,856	2,017,919,950	1.07	9,963	106.48	1.55	2.5	1.55	1.57	1.57	1.57
9/2005	19,184,532	197,529	288,584	1,990,961,925	1.03	10,079	103.78	1.50	2.5	1.50	1.50	1.50	1.50
12/2005	19,211,619	196,721	294,804	1,994,484,643	1.02	10,139	103.82	1.53	2.2	1.53	1.53	1.53	1.53
3/2006	19,234,343	197,955	285,540	1,996,555,981	1.03	10,086	103.80	1.48	5.2	1.48	1.48	1.48	1.48
6/2006	19,431,627	197,260	282,166	2,021,337,726	1.02	10,247	104.02	1.45	2.9	1.45	1.45	1.45	1.45
9/2006	19,538,010	192,659	275,453	2,023,177,766	0.99	10,501	103.55	1.41	4.2	1.41	1.41	1.41	1.41
12/2006	19,512,184	197,681	291,917	2,135,911,820	1.01	10,805	109.47	1.50	6.6	1.50	1.50	1.50	1.50
3/2007	19,531,514	192,295	274,372	2,038,215,287	0.98	10,599	104.36	1.40	5.1	1.40	1.40	1.40	1.40
6/2007	19,716,079	190,989	270,081	2,083,833,769	0.97	10,911	105.69	1.37	6.5	1.37	1.37	1.37	1.37
9/2007	19,790,833	186,032	267,323	2,085,280,763	0.94	11,209	105.37	1.35	6.7	1.35	1.35	1.35	1.35

4 QTRS ENDING

12/2002	72,907,563	842,403	1269040	7,569,288,404	1.16	8,985	103.82	1.74	1.74	1.74	1.74	1.74	1.74
3/2003	72,939,021	838,432	1259333	7,622,953,692	1.15	9,092	104.51	1.73	1.73	1.73	1.73	1.73	1.73
6/2003	72,948,372	835,919	1245106	7,692,728,095	1.15	9,203	105.45	1.71	1.71	1.71	1.71	1.71	1.71
9/2003	73,003,911	834,140	1239189	7,759,889,196	1.14	9,303	106.29	1.70	1.70	1.70	1.70	1.70	1.70
12/2003	73,185,406	835,131	1233367	7,813,060,952	1.14	9,355	106.76	1.69	2.8	1.69	1.69	1.69	1.69
3/2004	73,383,618	839,200	1226791	7,891,401,328	1.14	9,403	107.54	1.67	2.9	1.67	1.67	1.67	1.67
6/2004	73,649,596	837,460	1220228	7,930,142,767	1.14	9,459	107.67	1.66	2.1	1.66	1.66	1.66	1.66
9/2004	73,959,755	835,723	1211587	7,981,691,808	1.13	9,551	107.92	1.64	1.5	1.64	1.64	1.64	1.64
12/2004	74,293,411	829,101	1204456	8,019,153,751	1.12	9,672	107.94	1.62	1.1	1.62	1.62	1.62	1.62
3/2005	74,694,126	820,299	1199204	8,011,105,558	1.10	9,766	107.25	1.61	1.1	1.61	1.61	1.61	1.61
6/2005	75,127,777	815,818	1196994	8,016,329,933	1.09	9,826	106.70	1.59	0.9	1.59	1.59	1.59	1.59
9/2005	75,606,534	810,269	1185640	8,010,830,816	1.07	9,887	105.95	1.57	1.8	1.57	1.57	1.57	1.57
12/2005	76,126,107	799,315	1172642	7,944,116,911	1.05	9,939	104.35	1.54	3.3	1.54	1.54	1.54	1.54
3/2006	76,581,766	794,755	1166784	7,999,922,499	1.04	10,066	104.46	1.52	2.6	1.52	1.52	1.52	1.52
6/2006	77,062,121	789,465	1151094	8,003,340,275	1.02	10,138	103.86	1.49	2.7	1.49	1.49	1.49	1.49
9/2006	77,415,599	784,595	1137963	8,035,556,116	1.01	10,242	103.80	1.47	2.0	1.47	1.47	1.47	1.47
12/2006	77,716,164	785,555	1135076	8,176,983,293	1.01	10,409	105.22	1.46	0.8	1.46	1.46	1.46	1.46
3/2007	78,013,335	779,895	1123908	8,218,642,599	1.00	10,538	105.35	1.44	0.9	1.44	1.44	1.44	1.44
6/2007	78,297,787	773,624	1111823	8,281,138,642	0.99	10,704	105.76	1.42	1.8	1.42	1.42	1.42	1.42
9/2007	78,550,610	766,997	1103693	8,343,241,639	0.98	10,878	106.21	1.41	2.3	1.41	1.41	1.41	1.41

ANNUAL RATE OF CHANGE (20 PT.)	-3.8
ANNUAL RATE OF CHANGE (12 PT.)	-4.7
ANNUAL RATE OF CHANGE (9 PT.)	-4.0
ANNUAL RATE OF CHANGE (6 PT.)	-3.0

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
3/2002	25,500,050	1053171	2,554,922,037	4.13		2,426		100.19	
6/2002	25,687,255	1018052	2,448,681,865	3.96		2,405		95.33	
9/2002	25,851,389	1020843	2,491,441,942	3.95		2,441		96.38	
12/2002	25,625,651	1014571	2,519,371,275	3.96		2,483		98.31	
3/2003	25,634,852	1044205	2,598,277,425	4.07	-1.5	2,488	2.6	101.36	1.2
6/2003	25,783,231	989,704	2,454,736,007	3.84	-3.0	2,480	3.1	95.21	-0.1
9/2003	25,985,181	995,917	2,499,372,837	3.83	-3.0	2,510	2.8	96.18	-0.2
12/2003	25,924,993	996,597	2,505,275,747	3.84	-3.0	2,514	1.2	96.64	-1.7
3/2004	25,977,906	1059204	2,642,896,792	4.08	0.2	2,495	0.3	101.74	0.4
6/2004	26,233,826	982,989	2,438,729,017	3.75	-2.3	2,481	0.0	92.96	-2.4
9/2004	26,503,964	979,479	2,463,600,821	3.70	-3.4	2,515	0.2	92.95	-3.4
12/2004	26,469,930	982,726	2,507,212,454	3.71	-3.4	2,551	1.5	94.72	-2.0
3/2005	26,582,884	1048956	2,673,726,473	3.95	-3.2	2,549	2.2	100.58	-1.1
6/2005	26,850,161	1007467	2,568,791,051	3.75	0.0	2,550	2.8	95.67	2.9
9/2005	27,163,521	1005783	2,599,048,897	3.70	0.0	2,584	2.7	95.68	2.9
12/2005	27,173,037	967,615	2,560,607,374	3.56	-4.0	2,646	3.7	94.23	-0.5
3/2006	27,217,019	1035488	2,753,383,486	3.80	-3.8	2,659	4.3	101.16	0.6
6/2006	27,553,553	977,752	2,591,137,389	3.55	-5.3	2,650	3.9	94.04	-1.7
9/2006	27,713,106	969,269	2,589,472,812	3.50	-5.4	2,672	3.4	93.44	-2.3
12/2006	27,664,725	991,244	2,690,771,335	3.58	0.6	2,715	2.6	97.26	3.2
3/2007	27,705,352	1044874	2,850,236,433	3.77	-0.8	2,728	2.6	102.88	1.7
6/2007	28,011,394	1011605	2,734,872,347	3.61	1.7	2,703	2.0	97.63	3.8
9/2007	28,125,023	993,049	2,716,285,600	3.53	0.9	2,735	2.4	96.58	3.4
12/2002	102664345	4106637	10,014,417,119	4.00		2,439		97.55	
3/2003	102799147	4097671	10,057,772,507	3.99		2,455		97.84	
6/2003	102895123	4069323	10,063,826,649	3.95		2,473		97.81	
9/2003	103028915	4044397	10,071,757,544	3.93		2,490		97.76	
12/2003	103328257	4026423	10,057,662,016	3.90	-2.5	2,496	2.4	97.34	-0.2
3/2004	103671311	4041422	10,102,281,383	3.90	-2.3	2,500	1.8	97.45	-0.4
6/2004	104121906	4034707	10,086,274,393	3.87	-2.0	2,500	1.1	96.87	-1.0
9/2004	104640689	4018269	10,050,502,377	3.84	-2.3	2,501	0.4	96.05	-1.7
12/2004	105185626	4004398	10,052,439,084	3.81	-2.3	2,510	0.5	95.57	-1.8
3/2005	105790604	3994150	10,083,268,765	3.78	-3.1	2,525	1.0	95.31	-2.2
6/2005	106406939	4018628	10,213,330,799	3.78	-2.3	2,541	1.6	95.98	-0.9
9/2005	107066496	4044932	10,348,778,875	3.78	-1.6	2,558	2.3	96.66	0.6
12/2005	107769603	4029821	10,402,173,795	3.74	-1.8	2,581	2.8	96.52	1.0
3/2006	108403738	4016353	10,481,830,808	3.70	-2.1	2,610	3.4	96.69	1.4
6/2006	109107130	3986638	10,504,177,146	3.65	-3.4	2,635	3.7	96.27	0.3
9/2006	109656715	3950124	10,494,601,061	3.60	-4.8	2,657	3.9	95.70	-0.1
12/2006	110148403	3973753	10,624,765,022	3.61	-3.5	2,674	3.6	96.46	-0.1
3/2007	110636736	3983139	10,721,617,969	3.60	-2.7	2,692	3.1	96.91	0.2
6/2007	111094577	4016992	10,865,352,927	3.62	-0.8	2,705	2.7	97.80	1.6
9/2007	111506494	4040772	10,992,165,715	3.62	0.6	2,720	2.4	98.58	3.0
ANNUAL RATE OF CHANGE (20 PT.)				-2.4		2.3		-0.1	
ANNUAL RATE OF CHANGE (12 PT.)				-2.3		3.2		0.8	
ANNUAL RATE OF CHANGE (9 PT.)				-2.2		3.1		0.8	
ANNUAL RATE OF CHANGE (6 PT.)				-0.3		2.5		2.2	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED SEPTEMBER 2007

MULTISTATE BODILY INJURY

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	3.7%	4.0%	4.0%
12 points	3.9%	4.2%	4.2%
9 points	4.6%	4.9%	4.9%
6 points	5.5%	5.7%	5.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-5.2%	-4.8%	-4.7%
12 points	-5.2%	-4.8%	-4.7%
9 points	-4.3%	-4.1%	-4.0%
6 points	-3.1%	-3.1%	-3.0%

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.6%	2.8%	2.8%
12 points	3.0%	3.1%	3.2%
9 points	3.0%	3.1%	3.1%
6 points	2.5%	2.5%	2.5%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.5%	-2.4%	-2.4%
12 points	-2.4%	-2.3%	-2.3%
9 points	-2.3%	-2.3%	-2.2%
6 points	-0.3%	-0.3%	-0.3%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED SEPTEMBER 2007

MULTISTATE BODILY INJURY

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

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

MULTISTATE PROPERTY DAMAGE

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

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.97	-0.96
12 points	-0.93	-0.93
9 points	-0.85	-0.85
6 points	-0.29	-0.29

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

ALL CARRIERS

(1)	(2)	(3)	AVERAGE PAID CLAIM COST (A)		(6)	(7)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)			(8)	(9)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (6)/(7)	EXPONENTIAL CURVE OF BEST FIT (B)
<u>BODILY INJURY (25/50 LIMIT)</u>					<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>			
Dec-01	\$564,227,720	89,488	6,305	\$5,938.88	\$571,879,214	221,522	\$2,582	\$2,408.16
Mar-02	546,662,975	86,493	6,320	6,010.45	567,288,489	219,206	2,588	2,426.67
Jun-02	547,325,100	86,873	6,300	6,082.89	571,372,598	219,027	2,609	2,445.32
Sep-02	563,771,334	88,577	6,365	6,156.19	583,289,220	222,517	2,621	2,464.11
Dec-02	560,921,177	88,743	6,321	6,230.38	583,191,788	221,358	2,635	2,483.05
Mar-03	569,840,013	89,919	6,337	6,305.47	585,934,477	222,069	2,639	2,502.13
Jun-03	575,159,482	90,331	6,367	6,381.46	590,846,724	224,904	2,627	2,521.36
Sep-03	570,499,849	90,521	6,302	6,458.36	601,174,773	230,230	2,611	2,540.74
Dec-03	578,126,767	91,284	6,333	6,536.20	607,731,962	235,466	2,581	2,560.27
Mar-04	578,378,892	91,335	6,333	6,614.97	614,258,216	239,170	2,568	2,579.94
Jun-04	587,773,754	92,809	6,333	6,694.69	620,234,160	243,165	2,551	2,599.77
Sep-04	600,962,824	93,789	6,408	6,775.37	615,743,810	242,681	2,537	2,619.75
Dec-04	604,104,653	94,239	6,410	6,857.02	621,932,792	244,291	2,546	2,639.88
Mar-05	614,245,123	94,566	6,495	6,939.66	627,485,422	246,310	2,548	2,660.17
Jun-05	618,225,435	94,403	6,549	7,023.29	631,671,224	246,705	2,560	2,680.62
Sep-05	619,111,321	94,185	6,573	7,107.93	635,302,673	247,768	2,564	2,701.22
Dec-05	622,459,483	92,952	6,697	7,193.59	628,235,467	243,492	2,580	2,721.98
Mar-06	629,437,209	93,200	6,754	7,280.28	637,159,084	244,730	2,604	2,742.89
Jun-06	630,633,611	92,590	6,811	7,368.02	638,433,955	242,768	2,630	2,763.97
Sep-06	634,357,480	91,654	6,921	7,456.81	644,595,815	242,089	2,663	2,785.22
Dec-06	642,197,893	91,728	7,001	7,546.68	663,272,417	247,014	2,685	2,806.62
Mar-07	647,570,982	91,426	7,083	7,637.63	671,741,530	247,151	2,718	2,828.19
Jun-07	662,754,365	91,659	7,231	7,729.67	681,592,955	249,904	2,727	2,849.93
Sep-07	673,932,025	91,827	7,339	7,822.83	684,780,464	249,592	2,744	2,871.83

(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	6.1%	3.4%
9-points	5.4%	3.7%
12-points	4.9%	3.1%
15-points	4.3%	2.3%

(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)	(2)	(3)	AVERAGE PAID CLAIM COST (A)		(6)	(7)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)			(8)	(9)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	EXPONENTIAL		PAID LOSSES (A)	PAID CLAIMS	EXPONENTIAL	
			ACTUAL (2)/(3)	CURVE OF BEST FIT (B)			ACTUAL (6)/(7)	CURVE OF BEST FIT (B)
	<u>BODILY INJURY (25/50 EXCESS)</u>				<u>BODILY INJURY (TOTAL LIMITS)</u>			
Dec-01	\$104,450,916	89,488	\$1,167	\$1,349.96	\$668,678,636	89,488	\$7,472	\$7,283.17
Mar-02	102,367,259	86,493	1,184	1,378.09	649,030,234	86,493	7,504	7,383.91
Jun-02	106,378,359	86,873	1,225	1,406.81	653,703,459	86,873	7,525	7,486.05
Sep-02	112,295,901	88,577	1,268	1,436.12	676,067,235	88,577	7,633	7,589.60
Dec-02	113,943,398	88,743	1,284	1,466.05	674,864,575	88,743	7,605	7,694.59
Mar-03	114,305,404	89,919	1,271	1,496.60	684,145,417	89,919	7,608	7,801.02
Jun-03	120,193,848	90,331	1,331	1,527.78	695,353,330	90,331	7,698	7,908.93
Sep-03	123,263,735	90,521	1,362	1,559.62	693,763,584	90,521	7,664	8,018.33
Dec-03	132,035,735	91,284	1,446	1,592.12	710,162,502	91,284	7,780	8,129.24
Mar-04	135,241,257	91,335	1,481	1,625.29	713,620,149	91,335	7,813	8,241.69
Jun-04	140,159,506	92,809	1,510	1,659.16	727,933,260	92,809	7,843	8,355.70
Sep-04	150,010,451	93,789	1,599	1,693.74	750,973,275	93,789	8,007	8,471.28
Dec-04	154,932,128	94,239	1,644	1,729.03	759,036,781	94,239	8,054	8,588.46
Mar-05	156,771,721	94,566	1,658	1,765.06	771,016,844	94,566	8,153	8,707.26
Jun-05	152,170,027	94,403	1,612	1,801.84	770,395,462	94,403	8,161	8,827.70
Sep-05	145,337,018	94,185	1,543	1,839.38	764,448,339	94,185	8,116	8,949.81
Dec-05	141,176,463	92,952	1,519	1,877.71	763,635,946	92,952	8,215	9,073.61
Mar-06	146,764,331	93,200	1,575	1,916.84	776,201,540	93,200	8,328	9,199.12
Jun-06	149,980,616	92,590	1,620	1,956.78	780,614,227	92,590	8,431	9,326.37
Sep-06	164,092,103	91,654	1,790	1,997.56	798,449,583	91,654	8,712	9,455.38
Dec-06	170,571,506	91,728	1,860	2,039.18	812,769,399	91,728	8,861	9,586.17
Mar-07	173,015,888	91,426	1,892	2,081.68	820,586,870	91,426	8,975	9,718.77
Jun-07	182,324,846	91,659	1,989	2,125.05	845,079,211	91,659	9,220	9,853.21
Sep-07	175,953,634	91,827	1,916	2,169.34	849,885,659	91,827	9,255	9,989.50
(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:							<u>25/50 EXCESS</u>	<u>TOTAL LIMITS</u>
							14.3%	7.7%
							15.6%	7.4%
							8.6%	5.6%
							7.5%	5.0%

(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)	(2)	(3)	AVERAGE PAID CLAIM COST (A)	
			(4)	(5)
YEAR ENDED	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)
Dec-01	\$92,840,807	60,183	\$1,543	\$1,758.70
Mar-02	92,336,745	58,913	1,567	1,763.82
Jun-02	94,004,407	58,364	1,611	1,768.96
Sep-02	97,155,046	59,123	1,643	1,774.12
Dec-02	98,807,323	59,769	1,653	1,779.29
Mar-03	100,623,869	60,070	1,675	1,784.47
Jun-03	101,897,874	60,672	1,679	1,789.67
Sep-03	101,824,929	60,577	1,681	1,794.89
Dec-03	101,449,178	59,816	1,696	1,800.12
Mar-04	101,713,082	59,214	1,718	1,805.37
Jun-04	101,794,562	58,910	1,728	1,810.63
Sep-04	102,792,212	58,395	1,760	1,815.90
Dec-04	103,205,467	57,845	1,784	1,821.20
Mar-05	102,781,502	57,411	1,790	1,826.50
Jun-05	102,943,294	57,091	1,803	1,831.83
Sep-05	102,897,784	57,288	1,796	1,837.16
Dec-05	102,777,869	56,796	1,810	1,842.52
Mar-06	104,035,116	57,189	1,819	1,847.89
Jun-06	103,736,147	56,637	1,832	1,853.27
Sep-06	103,513,028	55,949	1,850	1,858.67
Dec-06	104,952,403	57,123	1,837	1,864.09
Mar-07	104,424,370	57,047	1,830	1,869.52
Jun-07	106,505,075	57,778	1,843	1,874.97
Sep-07	106,628,919	58,261	1,830	1,880.43

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

6-points	-0.2%
9-points	1.0%
12-points	1.2%
15-points	1.9%

- (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)	(2)	(3)	(4)	(5)	(6)
YEAR ENDED	EARNED EXPOSURES	PAID CLAIMS	PAID CLAIM	PAID CLAIMS	PAID CLAIM
			FREQ (2)/(3)		FREQ (5)/(3)
			<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	
Dec-01	5,743,762	89,488	1.5580	221,522	3.8567
Mar-02	5,790,492	86,493	1.4937	219,206	3.7856
Jun-02	5,838,882	86,873	1.4878	219,027	3.7512
Sep-02	5,881,478	88,577	1.5060	222,517	3.7834
Dec-02	5,924,992	88,743	1.4978	221,358	3.7360
Mar-03	5,964,403	89,919	1.5076	222,069	3.7232
Jun-03	5,984,173	90,331	1.5095	224,904	3.7583
Sep-03	6,012,566	90,521	1.5055	230,230	3.8291
Dec-03	6,041,184	91,284	1.5110	235,466	3.8977
Mar-04	6,062,512	91,335	1.5066	239,170	3.9451
Jun-04	6,105,291	92,809	1.5201	243,165	3.9829
Sep-04	6,144,902	93,789	1.5263	242,681	3.9493
Dec-04	6,192,752	94,239	1.5218	244,291	3.9448
Mar-05	6,268,761	94,566	1.5085	246,310	3.9292
Jun-05	6,329,732	94,403	1.4914	246,705	3.8976
Sep-05	6,386,223	94,185	1.4748	247,768	3.8797
Dec-05	6,430,216	92,952	1.4456	243,492	3.7867
Mar-06	6,459,527	93,200	1.4428	244,730	3.7887
Jun-06	6,514,265	92,590	1.4213	242,768	3.7267
Sep-06	6,563,911	91,654	1.3963	242,089	3.6882
Dec-06	6,617,915	91,728	1.3861	247,014	3.7325
Mar-07	6,665,866	91,426	1.3716	247,151	3.7077
Jun-07	6,700,103	91,659	1.3680	249,904	3.7299
Sep-07	6,733,194	91,827	1.3638	249,592	3.7069

(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	-3.1%	0.0%
9-points	-4.0%	-1.8%
12-points	-4.2%	-2.5%
15-points	-3.6%	-2.4%
24-points	-1.9%	-0.3%

(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	EARNED	PAID	CLAIM
<u>ENDED</u>	<u>EXPOSURES</u>	<u>CLAIMS</u>	<u>(2)/(3)</u>

MEDICAL PAYMENTS

Dec-01	4,289,586	60,183	1.4030
Mar-02	4,336,592	58,913	1.3585
Jun-02	4,376,208	58,364	1.3337
Sep-02	4,407,881	59,123	1.3413
Dec-02	4,438,733	59,769	1.3465
Mar-03	4,468,077	60,070	1.3444
Jun-03	4,485,923	60,672	1.3525
Sep-03	4,506,331	60,577	1.3443
Dec-03	4,521,445	59,816	1.3229
Mar-04	4,529,860	59,214	1.3072
Jun-04	4,551,923	58,910	1.2942
Sep-04	4,576,988	58,395	1.2758
Dec-04	4,615,995	57,845	1.2531
Mar-05	4,670,206	57,411	1.2293
Jun-05	4,717,196	57,091	1.2103
Sep-05	4,755,565	57,288	1.2047
Dec-05	4,782,499	56,796	1.1876
Mar-06	4,803,998	57,189	1.1904
Jun-06	4,838,249	56,637	1.1706
Sep-06	4,873,424	55,949	1.1480
Dec-06	4,912,612	57,123	1.1628
Mar-07	4,949,155	57,047	1.1527
Jun-07	4,975,256	57,778	1.1613
Sep-07	4,998,637	58,261	1.1655

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

6-points	0.0%
9-points	-1.8%
12-points	-2.7%
15-points	-3.6%
24-points	-3.5%

MEDICAL
PAYMENTS

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2007

L CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	4.0%	4.3%	4.3%
12 points	4.5%	4.8%	4.9%
9 points	5.0%	5.3%	5.4%
6 points	5.7%	5.9%	6.1%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-2.0%	-1.8%	-1.9%
15 points	-3.9%	-3.7%	-3.6%
12 points	-4.6%	-4.3%	-4.2%
9 points	-4.2%	-4.0%	-4.0%
6 points	-3.3%	-3.2%	-3.1%

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.2%	2.3%	2.3%
12 points	2.9%	3.1%	3.1%
9 points	3.5%	3.6%	3.7%
6 points	3.3%	3.4%	3.4%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-0.3%	-0.3%	-0.3%
15 points	-2.5%	-2.4%	-2.4%
12 points	-2.6%	-2.5%	-2.5%
9 points	-1.8%	-1.8%	-1.8%
6 points	0.0%	0.0%	0.0%

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.8%	1.8%	1.9%
12 points	1.1%	1.2%	1.2%
9 points	0.9%	1.0%	1.0%
6 points	-0.2%	-0.2%	-0.2%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-4.0%	-3.6%	-3.5%
15 points	-3.9%	-3.7%	-3.6%
12 points	-2.9%	-2.7%	-2.7%
9 points	-1.8%	-1.8%	-1.8%
6 points	0.0%	0.0%	0.0%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2007

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	6.5%	7.5%	7.5%
12 points	7.6%	8.4%	8.6%
9 points	12.6%	14.7%	15.6%
6 points	12.1%	13.1%	14.3%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	4.5%	4.9%	5.0%
12 points	5.1%	5.5%	5.6%
9 points	6.7%	7.2%	7.4%
6 points	7.1%	7.4%	7.7%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2007

ALL CARRIERS

BODILY INJURY 25/50 BASIC

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

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.84	-0.84
15 points	-0.97	-0.97
12 points	-0.99	-0.99
9 points	-0.98	-0.98
6 points	-0.95	-0.95

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.93	0.93
12 points	0.98	0.98
9 points	0.99	0.99
6 points	0.99	0.98

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.25	-0.25
15 points	-0.94	-0.94
12 points	-0.91	-0.91
9 points	-0.78	-0.78
6 points	0.00	0.00

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.91	0.91
12 points	0.88	0.88
9 points	0.71	0.72
6 points	-0.25	-0.25

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.97	-0.97
15 points	-0.94	-0.94
12 points	-0.90	-0.90
9 points	-0.77	-0.77
6 points	0.03	0.03

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2007

L CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.84	0.84
12 points	0.81	0.80
9 points	0.95	0.95
6 points	0.88	0.88

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.96	0.97
12 points	0.96	0.96
9 points	0.99	0.99
6 points	0.98	0.98

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
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	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	
Jan-07	202.4	
Feb-07	203.5	196.7
Mar-07	205.4	
Apr-07	206.7	
May-07	207.9	199.5
Jun-07	208.4	
Jul-07	208.3	
Aug-07	207.9	201.4
Sep-07	208.5	
Oct-07	208.9	
Nov-07	210.2	200.8
Dec-07	210.0	
Jan-08	211.1	
Feb-08	211.7	204.1
Mar-08	213.5	

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)	3.15%	3.14%	3.14%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	2.99%	2.94%	2.97%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	2.89%	3.30%	3.10%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	2.91%	2.65%	2.78%
(5) Average Annual Index (D)			
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	
Year Ended 3/31/2007	202.80	194.60	
Year Ended 9/30/2007	205.34	198.13	
Year Ended 3/31/2008	209.43	201.45	

(6) Current Cost Factor (Index Value Divided by Average Annual Index)

Year Ended 9/30/2005	1.10	1.09	1.10
Year Ended 3/31/2006	1.08	1.07	1.08
Year Ended 9/30/2006	1.06	1.06	1.06
Year Ended 3/31/2007	1.05	1.05	1.05
Year Ended 9/30/2007	1.04	1.03	1.04
Year Ended 3/31/2008	1.02	1.01	1.02

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 MARCH 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.92%	3.10%	3.15%
36 points	2.83%	2.95%	2.99%
24 points	2.78%	2.86%	2.89%
12 points	2.84%	2.88%	2.91%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	2.92%	3.09%	3.14%
12 points	2.79%	2.90%	2.94%
8 points	3.16%	3.25%	3.30%
4 points	2.60%	2.62%	2.65%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED MARCH 2008

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.99	0.99
36 points	0.97	0.97
24 points	0.93	0.93
12 points	0.94	0.94

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	0.88	0.88

Countrywide External Expense Trend

	Consumer Price Index (a)	Compensation Cost Index (b)		Consumer Price Index (a)	Compensation Cost Index (b)
1/03	181.7		9/05	198.8	
2/03	183.1	172.1	10/05	199.2	
3/03	184.2		11/05	197.6	190.0
4/03	183.8		12/05	196.8	
5/03	183.5	173.9	1/06	198.3	
6/03	183.7		2/06	198.7	191.7
7/03	183.9		3/06	199.8	
8/03	184.6	175.1	4/06	201.5	
9/03	185.2		5/06	202.5	193.0
10/03	185.0		6/06	202.9	
11/03	184.5	176.2	7/06	203.5	
12/03	184.3		8/06	203.9	193.8
1/04	185.2		9/06	202.9	
2/04	186.2	177.8	10/06	201.8	
3/04	187.4		11/06	201.5	194.9
4/04	188.0		12/06	201.8	
5/04	189.1	180.5	1/07	202.4	
6/04	189.7		2/07	203.5	196.7
7/04	189.4		3/07	205.4	
8/04	189.5	182.1	4/07	206.7	
9/04	189.9		5/07	207.9	199.5
10/04	190.9		6/07	208.4	
11/04	191.0	183.6	7/07	208.3	
12/04	190.3		8/07	207.9	201.4
1/05	190.7		9/07	208.5	
2/05	191.8	186.3	10/07	208.9	
3/05	193.3		11/07	210.2	200.8
4/05	194.6		12/07	210.0	
5/05	194.4	188.8	1/08	211.1	
6/05	194.5		2/08	211.7	204.1
7/05	195.4		3/08	213.5	
8/05	196.4	189.0			

(a) Consumer Price Index for all items, all urban consumers.

Source: Bureau of Labor Statistics, Monthly Labor Review, Table 30.

(b) Total Compensation Cost Index - Insurance Carriers, Agents Brokers, and Service.

Source: Bureau of Labor Statistics.

The data collected under the North Carolina Rate Bureau Special Call for Expense Experience for the latest five years is shown on pages F-152 and F-153.

See the attached Exhibit (4) (d), Section D of RF-1 and the pre-filed testimony of P. Woods.

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

<u>Quarter</u>	(1) <u>Index</u>	(2) <u>Annual Percentage Change</u>
1998:2	0.932	-11.5%
1998:3	0.913	-14.5%
1998:4	0.884	-15.0%
1999:1	0.845	-9.8%
1998:2	0.999	7.2%
1999:3	1.063	16.4%
1999:4	1.099	24.3%
2000:1	1.200	42.1%
2000:2	1.313	31.4%
2000:3	1.325	24.7%
2000:4	1.305	18.8%
2001:1	1.253	4.4%
2001:2	1.400	6.7%
2001:3	1.256	-5.2%
2001:4	1.049	-19.6%
2002:1	1.006	-19.7%
2002:2	1.204	-14.0%
2002:3	1.208	-3.8%
2002:4	1.223	16.5%
2003:1	1.376	36.7%
2003:2	1.333	10.8%
2003:3	1.383	14.5%
2003:4	1.313	7.4%
2004:1	1.428	3.8%
2004:2	1.659	24.5%
2004:3	1.621	17.2%
2004:4	1.679	27.9%
2005:1	1.647	15.3%
2005:2	1.883	13.5%
2005:3	2.189	35.1%
2005:4	2.069	23.3%
2006:1	2.000	21.4%
2006:2	2.438	29.5%
2006:3	2.423	10.7%
2006:4	1.937	-6.4%
2007:1	2.022	1.1%
2007:2	2.555	4.8%
2007:3	2.423	0.0%
2007:4	2.519	30.0%
2008:1	2.646	30.8%

NORTH CAROLINA
PERSONAL AUTO INSURANCE

RETAIL PRICES OF MOTOR FUEL

<u>Date</u>	<u>Regular Gasoline</u>	<u>Midgrade Gasoline</u>	<u>Premium Gasoline</u>
Sep-03	1.517	1.622	1.704
Oct-03	1.435	1.541	1.620
Nov-03	1.405	1.508	1.589
Dec-03	1.381	1.511	1.594
Jan-04	1.520	1.615	1.704
Feb-04	1.577	1.675	1.760
Mar-04	1.640	1.745	1.826
Apr-04	1.698	1.798	1.878
May-04	1.868	1.962	2.047
Jun-04	1.871	1.978	2.058
Jul-04	1.821	1.923	2.012
Aug-04	1.799	1.899	1.996
Sep-04	1.790	1.889	1.983
Oct-04	1.905	2.006	2.095
Nov-04	1.898	1.998	2.087
Dec-04	1.771	1.875	1.957
Jan-05	1.776	1.875	1.959
Feb-05	1.846	1.944	2.027
Mar-05	2.000	2.097	2.169
Apr-05	2.187	2.288	2.373
May-05	2.086	2.195	2.274
Jun-05	2.084	2.181	2.273
Jul-05	2.208	2.312	2.400
Aug-05	2.446	2.544	2.618
Sep-05	2.921	3.024	3.134
Oct-05	2.810	2.924	3.004
Nov-05	2.260	2.359	2.454
Dec-05	2.120	2.220	2.311
Jan-06	2.314	2.412	2.511
Feb-06	2.224	2.348	2.438
Mar-06	2.399	2.500	2.586
Apr-06	2.774	2.876	2.946
May-06	2.791	2.899	2.981
Jun-06	2.770	2.874	2.963
Jul-06	2.894	2.997	3.086
Aug-06	2.889	2.992	3.077
Sep-06	2.431	2.551	2.640
Oct-06	2.156	2.260	2.358
Nov-06	2.190	2.297	2.392
Dec-06	2.264	2.375	2.471
Jan-07	2.163	2.273	2.366
Feb-07	2.186	2.293	2.393
Mar-07	2.481	2.586	2.686
Apr-07	2.764	2.876	2.983
May-07	2.991	3.100	3.241
Jun-07	2.924	3.038	3.177
Jul-07	2.854	2.966	3.108
Aug-07	2.679	2.794	2.938
Sep-07	2.717	2.830	2.975
Oct-07	2.739	2.851	3.000
Nov-07	3.003	3.117	3.252
Dec-07	2.937	3.053	3.188

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

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks. In addition, the data include highway use, non-highway use, and losses.

	Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Jan 2001	337,065	36.7%	4,205,372	1.3%
Feb 2001	313,281	-2.8%	4,196,441	0.4%
Mar 2001	352,485	-0.2%	4,195,809	0.2%
Apr 2001	349,404	3.2%	4,206,748	0.4%
May 2001	362,668	-0.8%	4,203,974	0.0%
Jun 2001	359,808	-0.8%	4,200,933	-0.3%
Jul 2001	365,105	3.3%	4,212,564	0.1%
Aug 2001	386,702	2.8%	4,223,191	0.6%
Sep 2001	345,463	1.6%	4,228,469	1.1%
Oct 2001	356,981	-0.9%	4,225,050	0.7%
Nov 2001	364,974	6.0%	4,245,572	1.5%
Dec 2001	349,756	-0.5%	4,243,692	3.1%
Jan 2002	324,599	-3.7%	4,231,226	0.6%
Feb 2002	314,049	0.2%	4,231,994	0.8%
Mar 2002	373,224	5.9%	4,252,733	1.4%
Apr 2002	362,307	3.7%	4,265,636	1.4%
May 2002	385,935	6.4%	4,288,903	2.0%
Jun 2002	353,515	-1.7%	4,282,610	1.9%
Jul 2002	381,819	4.6%	4,299,324	2.1%
Aug 2002	388,322	0.4%	4,300,944	1.8%
Sep 2002	348,880	1.0%	4,304,361	1.8%
Oct 2002	369,854	3.6%	4,317,234	2.2%
Nov 2002	360,420	-1.2%	4,312,680	1.6%
Dec 2002	358,955	2.6%	4,321,879	1.8%
Jan 2003	350,647	8.0%	4,347,927	2.8%
Feb 2003	309,803	-1.4%	4,343,681	2.6%
Mar 2003	352,649	-5.5%	4,323,106	1.7%
Apr 2003	352,764	-2.6%	4,313,563	1.1%
May 2003	382,431	-0.9%	4,310,059	0.5%
Jun 2003	368,673	4.3%	4,325,217	1.0%
Jul 2003	392,732	2.9%	4,336,130	0.9%
Aug 2003	396,930	2.2%	4,344,738	1.0%
Sep 2003	364,449	4.5%	4,360,307	1.3%
Oct 2003	383,700	3.7%	4,374,153	1.3%
Nov 2003	356,887	-1.0%	4,370,620	1.3%
Dec 2003	373,497	4.1%	4,385,162	1.5%
Jan 2004	335,346	-4.4%	4,369,861	0.5%
Feb 2004	340,455	9.9%	4,400,513	1.3%
Mar 2004	383,324	8.7%	4,431,188	2.5%
Apr 2004	366,911	4.0%	4,445,335	3.1%
May 2004	425,388	11.2%	4,488,292	4.1%
Jun 2004	353,521	-4.1%	4,473,140	3.4%

Monthly Gasoline Sales (in thousands of gallons)

Note: These data are taken from state taxation reports at the wholesale level and thus retail sales may reflect time lags of as long as 6 weeks. In addition, the data include highway use, non-highway use, and losses.

		Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Jul 2004		390,399	-0.6%	4,470,807	3.1%
Aug 2004		387,946	-2.3%	4,461,823	2.7%
Sep 2004		365,851	0.4%	4,463,225	2.4%
Oct 2004		377,443	-1.6%	4,456,968	1.9%
Nov 2004		374,005	4.8%	4,474,086	2.4%
Dec 2004		366,853	-1.8%	4,467,442	1.9%
Jan 2005		346,365	3.3%	4,478,461	2.5%
Feb 2005		367,155	7.8%	4,505,161	2.4%
Mar 2005		370,937	-3.2%	4,492,774	1.4%
Apr 2005		366,054	-0.2%	4,491,917	1.0%
May 2005		401,405	-5.6%	4,467,934	-0.5%
Jun 2005		365,062	3.3%	4,479,475	0.1%
Jul 2005		387,456	-0.8%	4,476,532	0.1%
Aug 2005		407,188	5.0%	4,495,774	0.8%
Sep 2005		410,122	12.1%	4,540,045	1.7%
Oct 2005		296,331	-21.5%	4,458,933	0.0%
Nov 2005		331,742	-11.3%	4,416,670	-1.3%
Dec 2005		425,530	16.0%	4,475,347	0.2%
Jan 2006		342,777	-1.0%	4,471,759	-0.1%
Feb 2006		334,966	-8.8%	4,439,570	-1.5%
Mar 2006		374,562	1.0%	4,443,195	-1.1%
Apr 2006		364,564	-0.4%	4,441,705	-1.1%
May 2006		392,926	-2.1%	4,433,226	-0.8%
Jun 2006		373,486	2.3%	4,441,650	-0.8%
Jul 2006		379,966	-1.9%	4,434,160	-0.9%
Aug 2006		399,075	-2.0%	4,426,047	-1.6%
Sep 2006		362,003	-11.7%	4,377,928	-3.6%
Oct 2006		381,321	28.7%	4,462,918	0.1%
Nov 2006		365,615	10.2%	4,496,791	1.8%
Dec 2006		375,139	-11.8%	4,446,400	-0.6%
Jan 2007		359,663	4.9%	4,463,286	-0.2%
Feb 2007		341,920	2.1%	4,470,240	0.7%
Mar 2007		380,157	1.5%	4,475,835	0.7%
Apr 2007		379,268	4.0%	4,490,539	1.1%
May 2007		393,029	0.0%	4,490,642	1.3%
Jun 2007		354,724	-5.0%	4,471,880	0.7%
Jul 2007		421,394	10.9%	4,513,308	1.8%
Aug 2007		398,760	-0.1%	4,512,993	2.0%
Sep 2007		363,327	0.4%	4,514,317	3.1%
Oct 2007		379,255	-0.5%	4,512,251	1.1%
Nov 2007		363,599	-0.6%	4,510,235	0.3%
Dec 2007		360,279	-4.0%	4,495,375	1.1%

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
1/01	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%
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%	11,351.8	139,365.0	0.9%
2/04	213.2	2,905.1	2.7%	11,108.9	140,409.2	1.8%
3/04	251.6	2,919.8	3.1%	11,792.9	140,928.5	2.2%
4/04	251.2	2,931.8	3.3%	11,992.3	141,523.9	2.6%
5/04	256.6	2,934.5	3.3%	12,297.2	141,780.9	2.8%
6/04	257.4	2,939.2	3.2%	11,960.3	141,811.8	2.7%
7/04	265.7	2,942.9	3.1%	12,307.4	141,862.1	2.6%
8/04	262.5	2,945.0	3.0%	12,316.8	141,838.6	2.5%

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
9/04	242.6	2,950.6	3.0%	12,044.6	142,283.9	2.7%
10/04	253.7	2,950.0	2.5%	11,816.6	142,211.5	2.5%
11/04	240.3	2,956.0	2.5%	11,590.8	142,414.2	2.6%
12/04	246.0	2,962.5	2.5%	12,277.3	142,856.9	2.7%
1/05	222.0	2,962.8	2.4%	11,118.9	142,624.0	2.3%
2/05	218.1	2,967.7	2.2%	10,891.2	142,406.3	1.4%
3/05	251.3	2,967.4	1.6%	11,885.8	142,499.2	1.1%
4/05	248.7	2,964.9	1.1%	11,704.3	142,211.2	0.5%
5/05	260.1	2,968.4	1.2%	12,282.4	142,196.4	0.3%
6/05	262.0	2,973.0	1.1%	12,228.1	142,464.2	0.5%
7/05	265.5	2,972.8	1.0%	12,460.3	142,617.1	0.5%
8/05	263.4	2,973.7	1.0%	12,648.8	142,949.1	0.8%
9/05	239.7	2,970.8	0.7%	11,547.5	142,452.0	0.1%
10/05	250.1	2,967.2	0.6%	11,670.6	142,306.0	0.1%
11/05	241.6	2,968.5	0.4%	11,436.4	142,151.6	-0.2%
12/05	242.9	2,965.4	0.1%	12,022.3	141,896.6	-0.7%
1/06	231.3	2,974.7	0.4%	11,142.7	141,920.4	-0.5%
2/06	219.4	2,976.0	0.3%	10,888.0	141,917.2	-0.3%
3/06	255.0	2,979.7	0.4%	11,815.1	141,846.5	-0.5%
4/06	248.8	2,979.8	0.5%	11,699.1	141,841.3	-0.3%
5/06	262.7	2,982.4	0.5%	12,053.9	141,612.8	-0.4%
6/06	261.7	2,982.1	0.3%	11,823.8	141,208.5	-0.9%
7/06	261.2	2,977.8	0.2%	12,201.7	140,949.9	-1.2%
8/06	265.2	2,979.6	0.2%	12,296.3	140,597.4	-1.6%
9/06	245.1	2,985.0	0.5%	11,888.0	140,937.9	-1.1%
10/06	256.7	2,991.6	0.8%	11,985.7	141,253.0	-0.7%
11/06	244.5	2,994.5	0.9%	11,580.0	141,396.6	-0.5%
12/06	244.9	2,996.5	1.0%	12,156.9	141,531.2	-0.3%
1/07	230.7	2,995.9	0.7%			
2/07	216.9	2,993.4	0.6%	No update available		
3/07	257.3	2,995.7	0.5%			
4/07	250.3	2,997.2	0.6%			
5/07	266.4	3,000.9	0.6%			
6/07	262.5	3,001.7	0.7%			
7/07	263.9	3,004.4	0.9%			
8/07	270.5	3,009.7	1.0%			
9/07	244.9	3,009.5	0.8%			
10/07	258.7	3,011.5	0.7%			
11/07	243.7	3,010.7	0.5%			
12/07	236.5	3,002.3	0.2%			
1/08	226.9	2,998.5	0.1%			
2/08	215.8	2,997.4	0.1%			
3/08	246.2	2,986.3	-0.3%			
4/08	245.9	2,981.9	-0.5%			

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

**COMPONENTS OF THE CPI INDEX
MONTHLY PERCENT CHANGES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
<u>Month</u>	<u>All Items</u>	<u>Med. Care</u>	<u>Phys. Serv.</u>	<u>Hospital & Other Related Services</u>	<u>Income</u>	<u>Auto Bodywork</u>	<u>All Items</u>	<u>Metal/MPR</u>
1/2004	0.5%	0.5%	0.5%	0.7%	0.8%	0.0%	1.4%	2.1%
2/2004	0.5%	0.8%	1.3%	0.7%	0.2%	0.2%	0.5%	3.2%
3/2004	0.6%	0.5%	0.8%	0.3%	-0.1%	0.4%	0.7%	2.6%
4/2004	0.3%	0.3%	0.2%	0.0%	0.2%	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%	-0.4%	-0.1%	0.3%	0.2%
7/2004	-0.2%	0.3%	0.1%	0.5%	0.6%	0.1%	0.1%	2.7%
8/2004	0.1%	0.2%	0.5%	-0.1%	0.3%	0.2%	0.4%	1.8%
9/2004	0.2%	0.2%	0.1%	0.4%	0.6%	0.6%	-0.2%	0.5%
10/2004	0.5%	0.3%	0.2%	0.5%	-0.1%	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%	0.7%	-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%	0.4%	0.1%	0.5%	0.2%
3/2005	0.8%	0.4%	0.2%	0.6%	0.0%	0.3%	1.4%	-0.1%
4/2005	0.7%	0.2%	0.3%	0.0%	0.5%	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%	0.4%	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%	0.4%	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%	0.1%	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%	0.7%	0.2%	0.8%	1.1%
2/2006	0.2%	0.8%	0.5%	1.5%	0.1%	0.9%	-1.5%	1.4%
3/2006	0.6%	0.5%	0.6%	0.6%	0.4%	0.2%	0.2%	0.6%
4/2006	0.9%	0.3%	0.0%	0.3%	1.0%	-0.4%	1.3%	2.8%
5/2006	0.5%	0.3%	0.1%	0.3%	-0.3%	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%	0.4%	1.4%
8/2006	0.2%	0.2%	0.1%	0.4%	0.2%	0.3%	0.7%	-0.3%
9/2006	-0.5%	0.2%	0.0%	0.2%	0.0%	0.4%	-1.5%	0.4%
10/2006	-0.5%	0.3%	0.2%	0.5%	0.7%	0.0%	-1.9%	-0.2%
11/2006	-0.1%	0.2%	0.2%	0.7%	-0.1%	0.4%	1.5%	-0.7%
12/2006	0.1%	0.0%	0.2%	-0.1%	0.8%	0.3%	0.6%	0.3%
1/2007	0.3%	1.0%	1.2%	1.1%	0.0%	0.7%	-1.0%	-0.4%
2/2007	0.5%	0.9%	1.3%	1.2%	0.0%	0.4%	1.7%	0.8%
3/2007	0.9%	0.2%	0.1%	0.5%	1.0%	0.1%	1.5%	2.1%
4/2007	0.6%	0.3%	0.0%	0.4%	0.0%	0.1%	1.2%	2.3%
5/2007	0.6%	0.2%	0.1%	0.4%	0.3%	-0.1%	1.1%	0.5%
6/2007	0.2%	0.1%	0.1%	0.2%	0.7%	0.0%	0.3%	-0.2%
7/2007	0.0%	0.6%	0.4%	0.9%	0.0%	0.1%	0.7%	0.4%
8/2007	-0.2%	0.4%	0.2%	0.3%	0.2%	0.2%	-1.5%	-0.6%
9/2007	0.3%	0.2%	0.0%	0.6%	0.3%	0.3%	0.6%	-0.5%
10/2007	0.2%	0.5%	0.4%	1.2%	0.1%	0.9%	0.7%	0.3%
11/2007	0.6%	0.4%	0.0%	1.0%	0.3%	0.3%	2.5%	-0.4%
12/2007	-0.1%	0.2%	0.2%	0.1%	0.3%	0.3%	-0.2%	-0.1%
1/2008	0.5%	0.8%	0.6%	1.5%	0.0%	0.2%	1.2%	1.5%
2/2008	0.3%	0.5%	-0.1%	0.9%	0.3%	-0.2%	0.9%	1.9%
3/2008	0.9%	0.2%	0.2%	0.2%	0.6%	0.1%	3.1%	3.2%

**COMPONENTS OF THE CPI INDEX
ANNUAL PERCENT CHANGES**

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
	CPI-U:	CPI-U:	CPI-U:	CPI-U:	Weekly	CPI-U:	PPI:	PPI:
<u>Month</u>	<u>All Items</u>	<u>Med. Care</u>	<u>Phys. Serv.</u>	<u>Hospital & Other Related Services</u>	<u>Income</u>	<u>Auto Bodywork</u>	<u>All Items</u>	<u>Metal/MPR</u>
1/2004	1.9%	3.8%	2.5%	6.2%	1.9%	2.0%	4.5%	6.5%
2/2004	1.7%	4.2%	3.4%	6.3%	2.2%	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%	2.1%	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%	2.2%	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%	2.3%	2.5%	6.7%	17.8%
2/2005	3.0%	4.3%	3.7%	5.4%	2.5%	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%	2.9%	3.1%	4.8%	7.0%
7/2005	3.2%	4.2%	3.6%	5.2%	2.8%	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%	2.6%	4.0%	9.8%	4.1%
10/2005	4.3%	4.1%	3.0%	5.0%	3.3%	3.8%	10.8%	3.1%
11/2005	3.5%	4.5%	3.0%	5.8%	3.5%	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%	3.9%	5.1%	8.9%	5.3%
2/2006	3.6%	4.0%	1.6%	5.9%	3.5%	6.0%	6.7%	6.5%
3/2006	3.4%	4.1%	1.9%	5.9%	3.9%	5.8%	5.5%	7.2%
4/2006	3.5%	4.1%	1.6%	6.3%	4.3%	4.7%	6.0%	9.8%
5/2006	4.2%	4.2%	1.4%	6.6%	4.1%	4.5%	7.5%	15.6%
6/2006	4.3%	4.1%	1.4%	6.8%	4.6%	4.6%	7.6%	17.3%
7/2006	4.1%	4.0%	1.3%	6.4%	4.6%	4.6%	6.7%	19.1%
8/2006	3.8%	4.3%	1.4%	7.2%	4.6%	4.5%	6.5%	18.1%
9/2006	2.1%	4.2%	1.2%	7.3%	4.2%	3.8%	2.0%	16.5%
10/2006	1.3%	4.0%	1.4%	6.9%	4.3%	3.6%	-2.4%	15.7%
11/2006	2.0%	3.7%	1.5%	6.3%	4.2%	3.7%	0.5%	12.7%
12/2006	2.5%	3.6%	1.7%	6.1%	4.6%	3.4%	1.6%	11.9%
1/2007	2.1%	4.3%	3.2%	6.3%	3.9%	3.9%	-0.2%	10.1%
2/2007	2.4%	4.3%	4.1%	6.0%	3.8%	3.5%	3.1%	9.5%
3/2007	2.8%	4.0%	3.6%	5.8%	4.5%	3.4%	4.4%	11.1%
4/2007	2.6%	4.0%	3.7%	5.9%	3.5%	3.9%	4.3%	10.5%
5/2007	2.7%	4.0%	3.6%	6.0%	4.1%	3.4%	4.5%	6.6%
6/2007	2.7%	4.0%	3.8%	5.8%	4.1%	3.1%	4.6%	5.9%
7/2007	2.4%	4.3%	4.0%	6.4%	3.7%	2.8%	5.0%	4.9%
8/2007	2.0%	4.5%	4.1%	6.4%	3.7%	2.8%	2.7%	4.5%
9/2007	2.8%	4.6%	4.1%	6.8%	4.1%	2.6%	4.9%	3.6%
10/2007	3.5%	4.8%	4.3%	7.6%	3.5%	3.5%	7.7%	4.1%
11/2007	4.3%	5.0%	4.1%	7.9%	3.8%	3.5%	8.7%	4.5%
12/2007	4.1%	5.2%	4.1%	8.1%	3.4%	3.5%	7.9%	4.1%
1/2008	4.3%	4.9%	3.5%	8.5%	3.4%	3.0%	10.2%	6.1%
2/2008	4.0%	4.5%	2.1%	8.2%	3.7%	2.4%	9.4%	7.3%
3/2008	4.0%	4.6%	2.1%	7.9%	3.3%	2.3%	11.1%	8.4%

CPI ALL ITEMS (URBAN) - LESS ENERGY
ANNUAL PERCENT CHANGE

	(1)	(2)		(1)	(2)
<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>
7/2002	1.875	2.1%	7/2005	1.987	2.2%
8/2002	1.881	2.2%	8/2005	1.989	2.2%
9/2002	1.884	2.1%	9/2005	1.992	2.0%
10/2002	1.888	2.0%	10/2005	2.001	2.1%
11/2002	1.889	1.9%	11/2005	2.002	2.1%
12/2002	1.886	1.8%	12/2005	2.001	2.2%
1/2003	1.890	1.8%	1/2006	2.008	2.2%
2/2003	1.897	1.7%	2/2006	2.016	2.2%
3/2003	1.902	1.7%	3/2006	2.026	2.2%
4/2003	1.902	1.4%	4/2006	2.030	2.2%
5/2003	1.903	1.5%	5/2006	2.033	2.4%
6/2003	1.903	1.6%	6/2006	2.036	2.6%
7/2003	1.905	1.6%	7/2006	2.039	2.6%
8/2003	1.908	1.4%	8/2006	2.044	2.8%
9/2003	1.910	1.4%	9/2006	2.049	2.9%
10/2003	1.917	1.5%	10/2006	2.056	2.7%
11/2003	1.916	1.4%	11/2006	2.053	2.5%
12/2003	1.915	1.5%	12/2006	2.051	2.5%
1/2004	1.919	1.5%	1/2007	2.060	2.6%
2/2004	1.927	1.6%	2/2007	2.071	2.7%
3/2004	1.937	1.8%	3/2007	2.079	2.6%
4/2004	1.941	2.1%	4/2007	2.082	2.6%
5/2004	1.943	2.1%	5/2007	2.084	2.5%
6/2004	1.944	2.2%	6/2007	2.086	2.5%
7/2004	1.945	2.1%	7/2007	2.090	2.5%
8/2004	1.947	2.0%	8/2007	2.094	2.4%
9/2004	1.952	2.2%	9/2007	2.100	2.5%
10/2004	1.960	2.2%	10/2007	2.107	2.5%
11/2004	1.960	2.3%	11/2007	2.109	2.7%
12/2004	1.958	2.2%	12/2007	2.109	2.8%
1/2005	1.964	2.3%	1/2008	2.118	2.8%
2/2005	1.973	2.4%	2/2008	2.125	2.6%
3/2005	1.983	2.4%	3/2008	2.134	2.7%
4/2005	1.986	2.3%			
5/2005	1.986	2.2%			
6/2005	1.985	2.1%			

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

5. CHANGES IN PREMIUM BASE RESULTING FROM RATING EXPOSURE TRENDS

(a) Exposure distributions by policy term:

<u>Year Ended</u>	<u>6 Month</u>	<u>12 Month</u>
12/2000	83%	17%
12/2001	85	15
12/2002	90	10
12/2003	87	13
12/2004	87	13
12/2005	87	13
12/2006	87	13

These exposure distributions are the best estimates of the corresponding premium distributions.

The distribution for the most recent year is the best estimate of the distribution during the time the proposed rates will be in effect.

(b) No premium trend is applicable to the liability coverages.

See also pre-filed testimony of P. Woods.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

No limitations were applied.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

7. OVERHEAD EXPENSE DEVELOPMENT AND APPLICATION OF COMMISSION AND BROKERAGE,
OTHER ACQUISITION EXPENSES, GENERAL EXPENSES, TAXES, LICENSES, AND FEES
- (a) (b) The derivation of expense factors is shown on the following
page F-152-153. See also pre-filed testimony of P. Woods.
- (c) Pages F-98-112 contain information on expenses for the top 10
writers.

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

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Premiums Written at Manual Level	\$2,182,501,620	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065	\$2,568,035,175
Premiums Earned at Manual Level	2,153,995,534	2,272,048,154	2,317,791,914	2,547,452,137	2,478,560,898
Premium Written (Collected Level)	1,966,486,164	2,131,701,669	2,186,772,183	2,241,463,188	2,341,625,605
Premium Earned (Collected Level)	1,939,187,608	2,080,058,726	2,165,237,699	2,241,095,799	2,287,577,675
Commission & Brokerage	196,758,521	208,066,954	216,474,247	230,906,890	233,017,253
Other Acquisition	157,517,235	178,306,347	191,699,030	212,532,013	206,575,520
General Expenses	129,965,042	126,339,929	137,708,746	128,874,414	180,285,479
Taxes, Licenses, and Fees	48,885,392	50,675,808	49,949,234	52,183,922	49,163,847
Bodily Injury Losses Incurred	797,908,662	901,261,493	983,642,182	964,678,890	1,055,097,656
BI Allocated Loss Adjustment	11,029,181	33,670,584	36,670,488	33,457,299	25,699,804
BI Unallocated Loss Adjustment	108,169,312	111,448,514	115,524,475	127,744,750	137,538,285
Property Damage Losses Incurred	583,087,084	588,252,361	602,068,126	598,208,979	633,965,836
PD Allocated Loss Adjustment	4,491,936	8,993,978	6,792,019	8,055,918	5,525,868
PD Unallocated Loss Adjustment	67,179,157	76,384,689	76,480,634	74,018,157	70,909,209
<u>COMBINED RATIOS</u>					
Commission & Brokerage to	.100	.098	.099	.103	.100
Written Premium (a) (b)					
Other Acquisition to	.073	.078	.083	.083	.083
Earned Premium (c)					
General Expenses to	.059	.056	.059	.051	.073
Earned Premium (c)					
Taxes, Licenses, etc. to	.025	.024	.023	.023	.021
Written Premium (b)					
Unallocated Loss Adjustment	<u>BI</u>	<u>PD</u>	<u>BI</u>	<u>PD</u>	<u>PD</u>
Expenses to Losses + Allocated	.134	.119	.128	.128	.127
			<u>BI</u>	<u>PD</u>	<u>PD</u>
			.113	.126	.127
			.128	.122	.111

Notes:

- (a) Ceded business has a commission and brokerage provision set at 10%.
- (b) Ratios are to premiums at collected level.
- (c) Ratios are to premiums at manual level.

Source: North Carolina Rate Bureau Expense Call

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

<u>Item</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
Premiums Written at Manual Level		\$22,069,450	\$25,055,579	\$29,756,404	\$27,227,744
Premiums Earned at Manual Level		21,056,001	24,088,408	27,043,109	26,109,892
Premiums Written (Collected Lvl)	\$17,767,876	21,404,466	24,368,906	28,908,379	26,419,484
Premiums Earned (Collected Lvl)	17,226,637	20,360,578	23,453,046	26,245,060	25,349,453
Commission & Brokerage	2,096,798	2,434,725	2,512,584	2,639,000	2,681,305
Other Acquisition	1,409,269	1,409,720	1,718,064	2,153,234	1,961,205
General Expenses	914,380	768,456	913,911	1,353,703	2,223,505
Taxes, Licenses, and Fees	441,524	461,972	512,953	590,453	590,354
Losses Incurred	7,684,849	10,614,863	11,368,841	11,770,230	13,454,104
All Loss Adjustment Expenses	1,160,753	2,258,406	2,017,972	1,797,976	2,435,478
		<u>COMBINED RATIOS</u>			
Commission & Brokerage to Written Premium (a)(b)	.118	.114	.103	.091	.101
Other Acquisition to Earned Premium (b)	.082	.069	.073	.082	.077
General Expenses to Earned Premium (b)	.053	.038	.039	.052	.088
Taxes, Licenses, etc. to Written Premium (b)	.025	.022	.021	.020	.022
All Loss Adjustment Expenses to Losses	.151	.213	.178	.153	.181

Notes:
 (a) Ceded business has a commission and brokerage provision set at 10%.
 (b) Ratios are to premiums at collected level.

Source: North Carolina Rate Bureau Expense Call

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

8. PERCENT RATE CHANGE

The overall statewide rate change by coverage is shown on page A-1.

The proposed rate changes are dependent on the actual implementation date of the new rates, because any such change will affect all of the trending periods used in the filing. Any change in the trending periods will affect all of the losses and fixed expenses used in the calculation of the rate level indication.

If the effective date were to be changed, advance notice of seventy-five (75) days is required for an orderly implementation of the change in rates. This is the amount of time required to calculate the new rates based on the new effective date, and distribute the necessary information to member companies.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

9. FINAL PROPOSED RATES

The proposed rates are shown in Section B.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

10. INVESTMENT EARNINGS, CONSISTING OF INVESTMENT INCOME AND REALIZED PLUS UNREALIZED CAPITAL GAINS, FROM LOSS, LOSS EXPENSE AND UNEARNED PREMIUM RESERVES

See the attached Exhibits (10)(a) and (10)(b) and the pre-filed testimony of P. Woods. The experience provides the best estimate of the future.

The response to item (10)(c) is contained in the Rate Bureau's February 1, 2008 filing.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2002		\$623,746,514
2. Mean Unearned Premium Reserve	0.278 x (1)	173,401,531
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		2.08%
50% of Other Acquisition Expense		3.70%
50% of Company Operating Expense		3.00%
Total		18.78%
4. (2) x (3)		32,564,808
5. Net Subject to Investment (2) - (4)		140,836,723

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$623,746,514
2. Average Agents' Balances		0.149
3. Delayed Remission (1) x (2)		92,938,231

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$623,746,514
2. Expected Incurred Losses and Loss Adjustment		480,908,562
0.771 x (1)		
3. Expected Mean Loss Reserves	0.902 x (2)	433,779,523

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 481,678,015

E. Average Rate of Return 3.93%

F. Investment Earnings on Net Subject to Investment (D) x (E) 18,929,946

G. Average Rate of Return as a Percent of Direct Earned Premium 3.03%
(F) / (A-1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present manual level for ceded Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2002 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2002	\$1,957,059,172
2. Unearned Premium Reserve as of 12/31/2001	529,221,396
3. Unearned Premium Reserve as of 12/31/2002	557,203,755
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	543,212,576
5. Ratio (4) ÷ (1)	0.278

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2002 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.5% of net written premiums. The 14.5% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.031 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.031 is based on 1993 and 1994 industrywide data provided by the A.M. Best Company. The two factors combined amount to .149 ($.145 \times 1.031 = .149$).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2001 and 2002 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2001	\$1,410,205,014
2. Incurred Losses for Calendar Year 2002	1,388,594,207
3. Loss Reserves as of 12/31/2000	1,213,324,628
4. Loss Reserves as of 12/31/2001	1,269,542,424
5. Loss Reserves as of 12/31/2002	1,276,839,223
6. Mean Loss Reserve 2001: $1/2 [(3) + (4)]$	1,241,433,526
7. Mean Loss Reserve 2002: $1/2 [(4) + (5)]$	1,273,190,824
8. Ratio (6) \div (1)	0.880
9. Ratio (7) \div (2)	0.917
10. Loss Reserve: $1/2 [(8) + (9)]$	0.899
11. Ratio of LAE Reserves to Loss Reserves (a)	0.204
12. Ratio of Incurred LAE to Incurred Losses (a)	0.2
13. Loss and LAE Reserve $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.902

(a) Based on 2002 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2003		\$292,519,558
2. Mean Unearned Premium Reserve	0.278 x (1)	81,320,437
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		2.00%
50% of Other Acquisition Expense		3.85%
50% of Company Operating Expense		2.75%
Total		18.60%
4. (2) x (3)		15,125,601
5. Net Subject to Investment (2) - (4)		66,194,836

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$292,519,558
2. Average Agents' Balances	0.146
3. Delayed Remission (1) x (2)	42,707,855

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$292,519,558
2. Expected Incurred Losses and Loss Adjustment	227,580,216
0.778 x (1)	
3. Expected Mean Loss Reserves	201,408,491
0.885 x (2)	

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 224,895,472

E. Average Rate of Return 4.39%

F. Investment Earnings on Net Subject to Investment (D) x (E) 9,872,911

G. Average Rate of Return as a Percent of Direct Earned Premium 3.38%
(F) / (A-1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present manual level for ceded Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2003 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2003	\$2,101,843,329
2. Unearned Premium Reserve as of 12/31/2002	557,203,755
3. Unearned Premium Reserve as of 12/31/2003	609,899,658
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	583,551,707
5. Ratio (4) \div (1)	0.278

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2003 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.1% of net written premiums. The 14.1% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.033 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.033 is based on 2002 and 2003 industrywide data provided by the A.M. Best Company. The two factors combined amount to .146 ($.141 \times 1.033 = .146$).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2002 and 2003 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2002	\$1,388,594,207
2. Incurred Losses for Calendar Year 2003	1,501,859,410
3. Loss Reserves as of 12/31/2001	1,269,542,424
4. Loss Reserves as of 12/31/2002	1,276,839,223
5. Loss Reserves as of 12/31/2003	1,335,811,002
6. Mean Loss Reserve 2002: $1/2 [(3) + (4)]$	1,273,190,824
7. Mean Loss Reserve 2003: $1/2 [(4) + (5)]$	1,306,325,113
8. Ratio (6) \div (1)	0.917
9. Ratio (7) \div (2)	0.870
10. Loss Reserve: $1/2 [(8) + (9)]$	0.894
11. Ratio of LAE Reserves to Loss Reserves (a)	0.198
12. Ratio of Incurred LAE to Incurred Losses (a)	0.210
13. Loss and LAE Reserve $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	0.885

(a) Based on 2003 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2004		\$274,190,047
2. Mean Unearned Premium Reserve	0.293 x (1)	80,337,684
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		2.95%
Total		19.02%
4. (2) x (3)		15,280,227
5. Net Subject to Investment (2) - (4)		65,057,457

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$274,190,047
2. Average Agents' Balances		0.153
3. Delayed Remission (1) x (2)		41,951,077

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$274,190,047
2. Expected Incurred Losses and Loss Adjustment		211,948,906
0.773 x (1)		
3. Expected Mean Loss Reserves	0.857 x (2)	181,640,212

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 204,746,592

E. Average Rate of Return 5.05%

F. Investment Earnings on Net Subject to Investment (D) x (E) 10,339,703

G. Average Rate of Return as a Percent of Direct Earned Premium 3.77%
(F) / (A-1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present manual level for ceded Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2004 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2004	\$2,119,188,172
2. Unearned Premium Reserve as of 12/31/2003	609,899,658
3. Unearned Premium Reserve as of 12/31/2004	632,152,880
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	621,026,269
5. Ratio (4) ÷ (1)	0.293

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2004 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 14.9% of net written premiums. The 14.9% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.030 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.030 is based on 2003 and 2004 industrywide data provided by the A.M. Best Company. The two factors combined amount to .153 (.149 x 1.030 = .153).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2003 and 2004 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2003	\$1,501,859,410
2. Incurred Losses for Calendar Year 2004	1,598,924,786
3. Loss Reserves as of 12/31/2002	1,276,839,223
4. Loss Reserves as of 12/31/2003	1,335,811,002
5. Loss Reserves as of 12/31/2004	1,428,148,692
6. Mean Loss Reserve 2003: 1/2 [(3) + (4)]	1,306,325,113
7. Mean Loss Reserve 2004: 1/2 [(4) + (5)]	1,381,979,847
8. Ratio (6) ÷ (1)	0.870
9. Ratio (7) ÷ (2)	0.864
10. Loss Reserve: 1/2 [(8) + (9)]	0.867
11. Ratio of LAE Reserves to Loss Reserves (a)	0.203
12. Ratio of Incurred LAE to Incurred Losses (a)	0.217
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.857

(a) Based on 2004 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2005		\$299,911,135
2. Mean Unearned Premium Reserve	0.279 x (1)	83,675,207
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.92%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		2.55%
Total		18.62%
4. (2) x (3)		15,580,324
5. Net Subject to Investment (2) - (4)		68,094,883

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$299,911,135
2. Average Agents' Balances		0.154
3. Delayed Remission (1) x (2)		46,186,315

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$299,911,135
2. Expected Incurred Losses and Loss Adjustment		234,530,508
0.782 x (1)		
3. Expected Mean Loss Reserves	0.877 x (2)	205,683,256

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 227,591,824

E. Average Rate of Return 5.15%

F. Investment Earnings on Net Subject to Investment (D) x (E) 11,720,979

G. Average Rate of Return as a Percent of Direct Earned Premium 3.91%
(F) / (A-1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present manual level for ceded Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2005 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2005	\$2,268,296,335
2. Unearned Premium Reserve as of 12/31/2004	632,152,880
3. Unearned Premium Reserve as of 12/31/2005	634,824,680
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	633,488,780
5. Ratio (4) \div (1)	0.279

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2005 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 15.0% of net written premiums. The 15.0% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.029 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.029 is based on 2004 and 2005 industrywide data provided by the A.M. Best Company. The two factors combined amount to .154 (.150 x 1.029 = .154).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2004 and 2005 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2004	\$1,598,924,786
2. Incurred Losses for Calendar Year 2005	1,575,388,913
3. Loss Reserves as of 12/31/2003	1,335,811,002
4. Loss Reserves as of 12/31/2004	1,428,148,692
5. Loss Reserves as of 12/31/2005	1,475,667,865
6. Mean Loss Reserve 2004: 1/2 [(3) + (4)]	1,381,979,847
7. Mean Loss Reserve 2005: 1/2 [(4) + (5)]	1,451,908,279
8. Ratio (6) ÷ (1)	0.864
9. Ratio (7) ÷ (2)	0.922
10. Loss Reserve: 1/2 [(8) + (9)]	0.893
11. Ratio of LAE Reserves to Loss Reserves (a)	0.201
12. Ratio of Incurred LAE to Incurred Losses (a)	0.223
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.877

(a) Based on 2005 All-Industry Insurance Expense Exhibit (source: A.M. Best)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

1. Direct Earned Premium for Accident Year Ended 12/31/2006		\$286,315,410
2. Mean Unearned Premium Reserve	0.285 x (1)	81,599,892
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.75%
50% of Other Acquisition Expense		4.15%
50% of Company Operating Expense		3.65%
Total		19.55%
4. (2) x (3)		15,952,779
5. Net Subject to Investment (2) - (4)		65,647,113

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)	\$286,315,410
2. Average Agents' Balances	0.168
3. Delayed Remission (1) x (2)	48,100,989

C. Loss Reserve

1. Direct Earned Premium (A-1)	\$286,315,410
2. Expected Incurred Losses and Loss Adjustment	217,027,081
0.758 x (1)	
3. Expected Mean Loss Reserves	192,285,994
0.886 x (2)	

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 209,832,118

E. Average Rate of Return 4.78%

F. Investment Earnings on Net Subject to Investment (D) x (E) 10,029,975

G. Average Rate of Return as a Percent of Direct Earned Premium 3.50%
(F) / (A-1)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present manual level for ceded Private Passenger Automobile Bodily Injury and Property Damage Liability and Medical Payments Insurance for all companies writing private passenger automobile insurance in North Carolina for the latest accident year.

Line A-2

The mean unearned premium reserve is determined by multiplying the direct earned premiums in line (1) by the ratio of the mean unearned premium reserve to the collected earned premium for calendar year ended 12/31/2006 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

1. Collected Earned Premium for Calendar Year ended 12/31/2006	\$2,316,658,861
2. Unearned Premium Reserve as of 12/31/2005	634,824,680
3. Unearned Premium Reserve as of 12/31/2006	684,498,941
4. Mean Unearned Premium Reserve 1/2 [(2) + (3)]	659,661,811
5. Ratio (4) ÷ (1)	0.285

Line A-3

Deduction for prepaid expenses:

Production costs and a large part of the other company expenses in connection with the writing and handling of Private Passenger Automobile Liability insurance policies, exclusive of claim adjustment expenses, are incurred when the policy is written and before the premium is paid. Therefore, the deduction for these expenses is determined by use of the provisions for expenses used in our ratemaking procedures as shown.

Line B-2

Delayed remission of premium:

This deduction is necessary because of delay in collection and remission of premium to the companies, which amounts to approximately 50-75 days after the effective dates of the policies. Therefore, funds for the unearned premium reserve required during the initial days of all policies must be taken from the company's surplus.

Based on the 2006 Insurance Expense Exhibit for all companies writing private passenger liability insurance in North Carolina, agent's balances for premiums due less than 90 days amount to 16.3% of net written premiums. The 16.3% is based on a procedure that weighs the percent of countrywide agents balances relative to countrywide private passenger liability premium (using data from Part III of the IEE) on the private passenger written liability premium for North Carolina private passenger liability insurance (as shown on Page 15 of the Annual Statement).

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

The above percentage must be multiplied by a factor of 1.032 to include the effect of agents balances or uncollected premiums overdue for more than 90 days. The 1.032 is based on 2005 and 2006 industrywide data provided by the A.M. Best Company. The two factors combined amount to .168 (.163 x 1.032 = .168).

Line C-2

The expected loss and loss adjustment ratio reflects the expense provisions used in this filing.

Line C-3

The expected mean loss reserve is determined by multiplying the expected incurred losses in line (2) by the average North Carolina ratio of the mean loss reserves to the incurred losses in 2005 and 2006 for Automobile Liability insurance. This ratio is based on North Carolina companies' Page 15 annual statement data and has been adjusted to include loss adjustment expense reserves.

1. Incurred Losses for Calendar Year 2005	\$1,575,388,913
2. Incurred Losses for Calendar Year 2006	1,703,407,276
3. Loss Reserves as of 12/31/2004	1,428,148,692
4. Loss Reserves as of 12/31/2005	1,475,667,865
5. Loss Reserves as of 12/31/2006	1,496,117,471
6. Mean Loss Reserve 2005: 1/2 [(3) + (4)]	1,451,908,279
7. Mean Loss Reserve 2006: 1/2 [(4) + (5)]	1,485,892,668
8. Ratio (6) ÷ (1)	0.922
9. Ratio (7) ÷ (2)	0.872
10. Loss Reserve: 1/2 [(8) + (9)]	0.897
11. Ratio of LAE Reserves to Loss Reserves (a)	0.209
12. Ratio of Incurred LAE to Incurred Losses (a)	0.224
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.886

(a) Based on 2006 All-Industry Insurance Expense Exhibit (source: A.M. Best)

The data available to the Rate Bureau to estimate the requested length of time is the yearly paid and incurred total limits liability loss development data contained on pages F-38-40 and F-43-45. The combined BI, PD and Med Pay data on a paid and incurred basis is shown on pages F-174 and F-175. Page F-173 shows the liability incurred losses for immature accident years on an ultimate basis using the latest three-year average loss development factor.

The accident year data for any given year 19XX (or 20YY) has an average date of accident of July 1, 19XX (or 20YY). By taking the ratio of paid losses to ultimate incurred losses as shown on the following pages, the percentage of liability losses paid in each year is estimated.

It is next necessary to determine an estimate for the average payment date (months) of the losses paid in each interval. Such data are not available for North Carolina. Such data are available for Massachusetts and are set forth below for the purpose of showing how this analysis would be completed for North Carolina if North Carolina data were available. The following data is personal auto liability data for the state of Massachusetts as contained in the Massachusetts Automobile Rate Bureau's 1990 filing. Since the Rate Bureau is advised by ISO that Massachusetts payment patterns are longer than North Carolina's, the results of this analysis (based on Massachusetts payment patterns) overstate the average length of time between occurrence and payment.

The result of this analysis is shown below:

Period Month-to-Month	Percentage Paid in Period		Massachusetts
	(a)	(b)	Average Payment Date (months)
0-15	64.0%	63.7%	9.3
15-27	19.6%	19.5%	20.3
27-39	8.4%	9.2%	32.4
39-51	4.8%	4.7%	44.3
51-63	2.0%	1.9%	56.5
63-ult.	1.2%	1.0%	73.4
		(a)	(b)
(1) Average Payment Date		16.8 months	16.8 months
(2) Average Date of Accident		6.0 months	6.0 months
(3) Average Length of Time between Occurrence and Payment [(1)-(2)]		10.8 months	10.8 months

(a) Based on the average of the three earliest accident year points.

(b) Based on the average of the three latest accident year points.

Based on this analysis the average length of time between occurrence and payment of a liability claim has remained the same over this period.

NORTH CAROLINA
ULTIMATE INCURRED LOSSES
LIABILITY

Accident Year	Losses (a)
1993	920,840,724
1994	1,012,878,331
1995	1,080,149,261
1996	1,132,931,481
1997	1,141,375,788
1998	1,136,947,157
1999	1,196,305,206
2000	1,222,843,227
2001	1,229,607,885
2002	1,286,721,537
2003	1,347,615,509
2004	1,394,134,208
2005	1,409,498,096
2006	1,476,431,771

(a) Total limits Bodily Injury, Property Damage and Medical Payments combined. 63 months is considered ultimate.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

B.I., P.D., Med.Pay. Combined Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1993					908,189,230
1994				978,449,411	1,000,883,797
1995			993,341,823	1,046,916,855	1,067,822,322
1996		943,479,998	1,039,953,497	1,096,655,496	1,120,668,124
1997	725,091,323	955,293,444	1,051,378,903	1,106,544,953	1,129,898,054
1998	733,293,590	952,668,575	1,047,887,918	1,100,677,997	1,125,855,949
1999	766,874,761	998,045,746	1,100,179,975	1,155,991,393	1,182,252,291
2000	799,103,515	1,033,184,626	1,128,230,873	1,186,247,890	1,211,236,400
2001	789,771,959	1,030,163,060	1,132,217,585	1,192,854,613	1,217,736,943
2002	829,685,310	1,079,156,317	1,189,961,232	1,251,448,431	1,274,468,167
2003	856,896,088	1,131,112,193	1,242,432,276	1,308,422,750	
2004	871,810,336	1,144,640,374	1,288,901,723		
2005	909,074,242	1,179,518,772			
2006	945,268,207				

Ratio of Paid to Ultimate Incurred

Accident Year	0-15 Mo.	15-27 Mo.	27-39 Months	39-51 Months	51-63 Months
1993					0.986
1994				0.966	0.988
1995			0.920	0.969	0.989
1996		0.833	0.918	0.968	0.989
1997	0.635	0.837	0.921	0.969	0.990
1998	0.645	0.838	0.922	0.968	0.990
1999	0.641	0.834	0.920	0.966	0.988
2000	0.653	0.845	0.923	0.970	0.991
2001	0.642	0.838	0.921	0.970	0.990
2002	0.645	0.839	0.925	0.973	0.990
2003	0.636	0.839	0.922	0.971	
2004	0.625	0.821	0.925		
2005	0.645	0.837			
2006	0.640				
Earliest Three Year Avg	0.640	0.836	0.920	0.968	0.988
Latest Three Year Avg	0.637	0.832	0.924	0.971	0.990

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	B.I., P.D., Med.Pay. Combined Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1993					920,840,724
1994				1,016,315,942	1,012,878,331
1995			1,078,266,528	1,084,703,753	1,080,149,261
1996		1,118,000,018	1,131,203,067	1,133,191,100	1,132,931,481
1997	1,082,877,971	1,120,759,790	1,132,077,719	1,139,495,672	1,141,375,788
1998	1,067,358,126	1,110,156,274	1,126,606,291	1,135,634,931	1,136,947,157
1999	1,113,366,528	1,157,598,783	1,182,991,251	1,192,900,037	1,196,305,206
2000	1,115,662,106	1,185,355,980	1,207,738,470	1,220,516,831	1,222,843,227
2001	1,127,660,082	1,189,153,419	1,216,383,714	1,229,418,504	1,229,607,885
2002	1,177,233,497	1,247,824,357	1,275,184,350	1,288,590,884	1,286,721,537
2003	1,218,414,098	1,306,023,654	1,340,479,085	1,347,615,509	
2004	1,260,406,094	1,332,457,165	1,381,698,918		
2005	1,272,189,647	1,359,207,421			
2006	1,336,137,349				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1994				0.997
1995			1.006	0.996
1996		1.012	1.002	1.000
1997	1.035	1.010	1.007	1.002
1998	1.040	1.015	1.008	1.001
1999	1.040	1.022	1.008	1.003
2000	1.062	1.019	1.011	1.002
2001	1.055	1.023	1.011	1.000
2002	1.060	1.022	1.011	0.999
2003	1.072	1.026	1.005	
2004	1.057	1.037		
2005	1.068			
Five Year Average	1.062	1.025	1.009	1.001
Three Year Average	1.066	1.028	1.009	1.000
		Five Year	Three Year	
39 to 63 months:		1.010	1.009	
27 to 63 months:		1.035	1.037	
15 to 63 months:		1.099	1.105	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 ASSETS

	Bonds	174,380,420
2	Stocks	
	2.1 Preferred stocks	4,096,237
	2.2 Common stocks	128,034,439
3	Mortgage loans on real estate	
	3.1 First Liens	2,006,844
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,200,800
	4.2 Other properties	0
5	Cash and Short-term investments	16,709,473
6	Other invested assets	14,208,644
7	Receivable for securities	804,279
8	Aggregate write-ins for invested assets	736,815
9	Subtotals, cash and invested assets	345,443,785
10	Agents balances or uncollected premiums	
	10.1 In course of collection	8,121,254
	10.2 Booked but deferred and not yet due	21,919,295
	10.3 Accrued retrospective premiums	2,219,716
11	Funds held by or deposited with reinsured companies	243,266
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	4,062,746
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	225,456
15	Electronic data processing equipment	831,962
16	Interest, dividends and real estate income due and accrued	2,399,464
17	Receivable from parent, subsidiaries and affiliates	4,564,383
18	Equities and deposits in pools and associations	0
	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,467,547
22	TOTALS (items 8a through 20)	401,281,639

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,467,547
6	TOTALS	6,467,547

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 LIABILITIES

	Losses	96,994,998
1A	Reinsurance payable on paid loss and loss adjustment expense	2,327,313
2	Loss adjustment expenses	23,176,966
3	Contingent commissions and other similar charges	1,479,600
4	Other expenses	7,962,139
5	Taxes, licenses and fees	1,547,321
6	Federal and foreign income taxes	0
7	Borrowed money	1,446,338
8	Interest	0
9	Unearned premiums	52,795,027
10	Dividends declared and unpaid	
	(a) Stockholders	339,204
	(b) Policyholders	1,331,732
11	Funds held by company under reinsurance treaties	3,391,693
12	Amounts withheld or retained by company for account of others	3,590,811
13	Remittances and items not allocated	645,710
14	Provision for reinsurance	1,089,241
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	114,422
17	Drafts outstanding	1,658,907
18	Payable to parent, subsidiaries and affiliates	2,252,275
19	Payable for securities	1,394,230
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	8,261,368
23	Total liabilities	223,509,071
24	Aggregate write-ins for special surplus funds	38,613,559
25A	Common capital stock	261,745
B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	15,564
26A	Surplus notes	3,853,775
26B	Gross paid in and contributed surplus	22,715,386
26C	Unassigned funds (surplus)	112,005,661
26D	Treasury stock	
	(1) common	8,182
	(2) preferred	0
27	Surplus as regards policyholders	177,772,569
28	TOTALS	401,281,639

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,551,384
4	Discount on loss reserve	0
5	Other write-ins	9,688,075
9	TOTALS	8,261,368

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	15,564

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	144,065,980
	Deductions	
2	Losses incurred	79,197,522
3	Loss expenses incurred	16,901,404
4	Other underwriting expenses incurred	36,037,407
5	Aggregate write-ins for underwriting deductions	-17,325
6	Total underwriting deductions	132,119,008
7	Net underwriting gain or loss	11,946,972
8	Net investment income earned	14,774,737
9	Net realized capital gains or losses	862,897
9A	Net investment gain or loss	15,637,633
10	Net gain or loss from agents or premium balances charged off	-302,681
11	Finance or service charges not included in premiums	1,012,282
12	Aggregate write-ins for miscellaneous income	-391,321
13	Total other income	318,280
14	Net income before dividends to policyholders and before federal and foreign income taxes	27,902,885
14A	Dividends to policyholders	1,959,223
14B	Net income after dividends to policyholders but before federal and foreign income taxes	25,943,663
15	Federal and foreign income taxes incurred	5,980,331
16	Net income	19,963,331
17	Surplus as regards policyholders, December 31 previous year	150,028,208
	Net income	19,963,331
19	Net unrealized capital gains or losses	12,898,511
20	Change in non-admitted assets	-1,436,836
21	Change in provision for reinsurance	244,171
22	Change in foreign exchange adjustment	140,484
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	3,200
	(b) Transferred from surplus	5,000
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,197,731
	(b) Transferred to capital	-5,000
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-5,419,237
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-222,259
31	Change in surplus as regards policyholders for the year	27,744,361
32	Surplus as regards policyholders, December 31 current year	177,772,569

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-221,810
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
	TOTALS	-222,259

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 ASSETS

	Bonds	155,169,650
2	Stocks	
	2.1 Preferred stocks	3,262,789
	2.2 Common stocks	115,889,175
3	Mortgage loans on real estate	
	3.1 First Liens	1,862,801
	3.2 Other than First Liens	0
4	Real estate	
	4.1 Properties occupied by the company	4,060,690
	4.2 Other properties	0
5	Cash and Short-term investments	15,751,368
6	Other invested assets	13,794,002
7	Receivable for securities	791,360
8	Aggregate write-ins for invested assets	577,887
9	Subtotals, cash and invested assets	311,416,473
10	Agents balances or uncollected premiums	
	10.1 In course of collection	6,931,726
	10.2 Booked but deferred and not yet due	18,403,606
	10.3 Accrued retrospective premiums	2,129,184
11	Funds held by or deposited with reinsured companies	215,426
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	3,820,356
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	196,879
15	Electronic data processing equipment	808,193
16	Interest, dividends and real estate income due and accrued	2,104,084
17	Receivable from parent, subsidiaries and affiliates	4,441,712
18	Equities and deposits in pools and associations	0
	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	5,582,752
22	TOTALS (items 8a through 20)	360,257,856

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	5,582,752
6	TOTALS	5,582,752

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 LIABILITIES

	Losses	86,553,207
1A	Reinsurance payable on paid loss and loss adjustment expense	2,162,314
2	Loss adjustment expenses	20,866,019
3	Contingent commissions and other similar charges	1,278,320
4	Other expenses	7,777,037
5	Taxes, licenses and fees	1,412,536
6	Federal and foreign income taxes	0
7	Borrowed money	1,459,511
8	Interest	0
9	Unearned premiums	48,155,178
10	Dividends declared and unpaid	
	(a) Stockholders	1,420
	(b) Policyholders	1,301,565
11	Funds held by company under reinsurance treaties	3,227,724
12	Amounts withheld or retained by company for account of others	2,954,190
13	Remittances and items not allocated	641,906
14	Provision for reinsurance	969,682
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	70,253
17	Drafts outstanding	1,211,032
18	Payable to parent, subsidiaries and affiliates	2,264,301
19	Payable for securities	1,212,435
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	6,970,310
23	Total liabilities	201,199,449
24	Aggregate write-ins for special surplus funds	38,491,350
25A	Common capital stock	211,225
3	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	14,314
26A	Surplus notes	3,853,775
26B	Gross paid in and contributed surplus	16,932,300
26C	Unassigned funds (surplus)	99,240,549
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	159,058,407
28	TOTALS	360,257,856

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	124,677
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,725,484
4	Discount on loss reserve	0
5	Other write-ins	8,571,117
9	TOTALS	6,970,310

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	14,314

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

2006 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	134,686,198
	Deductions	
2	Losses incurred	73,965,113
3	Loss expenses incurred	15,814,784
4	Other underwriting expenses incurred	33,248,209
5	Aggregate write-ins for underwriting deductions	-17,303
6	Total underwriting deductions	123,010,804
7	Net underwriting gain or loss	11,675,394
8	Net investment income earned	13,520,320
9	Net realized capital gains or losses	658,192
9A	Net investment gain or loss	14,178,512
10	Net gain or loss from agents or premium balances charged off	-285,436
11	Finance or service charges not included in premiums	1,007,965
12	Aggregate write-ins for miscellaneous income	-227,172
13	Total other income	495,356
14	Net income before dividends to policyholders and before federal and foreign income taxes	26,349,262
14A	Dividends to policyholders	1,936,803
14B	Net income after dividends to policyholders but before federal and foreign income taxes	24,412,458
15	Federal and foreign income taxes incurred	5,584,563
16	Net income	18,827,895
17	Surplus as regards policyholders, December 31 previous year	134,286,512
	Net income	18,827,895
18	Net unrealized capital gains or losses	10,362,682
20	Change in non-admitted assets	-1,300,096
21	Change in provision for reinsurance	85,083
22	Change in foreign exchange adjustment	142,128
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	89,929
24	Capital changes	
	(a) Paid in	0
	(b) Transferred from surplus	5,000
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	1,159,192
	(b) Transferred to capital	-5,000
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-4,521,864
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	-412,850
31	Change in surplus as regards policyholders for the year	24,771,894
32	Surplus as regards policyholders, December 31 current year	159,058,407

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	-412,402
2	Change in conditional reserves	-448
3	Miscellaneous capital and surplus adjustments	0
	TOTALS	-412,850

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2005 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	51,183,119,000
2	Net Premiums Earned	51,013,846,000
3	Dividends to Policyholders	901,375,000
4	Incurred Losses	29,959,178,000
5	Allocated Loss Adjustment Expenses Incurred	1,889,659,000
6	Unallocated Loss Adjustment Expenses Incurred	5,262,808,000
7	Unpaid Losses	36,620,915,000
8	Allocated Loss Adjustment Expenses Unpaid	5,525,229,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,060,154,000
10	Unearned Premium Reserves	14,536,429,000
11	Agents' Balances	8,412,072,000
12	Commission and Brokerage Expense	4,057,505,000
13	Taxes, Licenses and Fees Incurred	1,232,041,000
14	Other Acquisition, Etc. Expenses Incurred	4,204,038,000
15	General Expenses Incurred	2,493,680,000
16	Other Income Less Other Expenses	212,260,000
17	Pretax Profit Excluding Investment Gain	1,225,816,000
18	Investment Gain on Insurance Transactions	2,494,784,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,720,609,000
20	Investment Gain on Capital and Surplus	3,014,156,000
21	Total Profit or Loss	6,734,775,000

PHYSICAL DAMAGE

1	Net Premiums Written	35,083,999,000
2	Net Premiums Earned	34,898,449,000
3	Dividends to Policyholders	691,561,000
4	Incurred Losses	19,452,590,000
5	Allocated Loss Adjustment Expenses Incurred	124,868,000
6	Unallocated Loss Adjustment Expenses Incurred	3,234,812,000
7	Unpaid Losses	1,827,753,000
8	Allocated Loss Adjustment Expenses Unpaid	103,327,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,031,255,000
10	Unearned Premium Reserves	10,100,336,000
11	Agents' Balances	5,805,731,000
12	Commission and Brokerage Expense	2,646,475,000
13	Taxes, Licenses and Fees Incurred	837,182,000
14	Other Acquisition, Etc. Expenses Incurred	2,878,670,000
15	General Expenses Incurred	1,618,201,000
16	Other Income Less Other Expenses	142,812,000
17	Pretax Profit Excluding Investment Gain	3,556,905,000
18	Investment Gain on Insurance Transactions	234,372,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,791,282,000
20	Investment Gain on Capital and Surplus	1,369,898,000
21	Total Profit or Loss	5,161,183,000

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2006 WRITTEN PREMIUM

PART II - 2006 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	50,325,274,000
2	Net Premiums Earned	50,161,357,000
3	Dividends to Policyholders	905,064,000
4	Incurred Losses	29,406,677,000
5	Allocated Loss Adjustment Expenses Incurred	1,863,457,000
6	Unallocated Loss Adjustment Expenses Incurred	5,199,709,000
7	Unpaid Losses	35,870,693,000
8	Allocated Loss Adjustment Expenses Unpaid	5,424,059,000
9	Unallocated Loss Adjustment Expenses Unpaid	4,008,750,000
10	Unearned Premium Reserves	14,081,057,000
11	Agents' Balances	7,851,129,000
12	Commission and Brokerage Expense	3,983,909,000
13	Taxes, Licenses and Fees Incurred	1,218,213,000
14	Other Acquisition, Etc. Expenses Incurred	4,165,746,000
15	General Expenses Incurred	2,361,785,000
16	Other Income Less Other Expenses	243,616,000
17	Pretax Profit Excluding Investment Gain	1,300,421,000
18	Investment Gain on Insurance Transactions	2,449,924,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,750,353,000
20	Investment Gain on Capital and Surplus	2,916,793,000
21	Total Profit or Loss	6,667,148,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,537,947,000
2	Net Premiums Earned	34,350,106,000
3	Dividends to Policyholders	694,913,000
4	Incurred Losses	19,186,159,000
5	Allocated Loss Adjustment Expenses Incurred	124,554,000
6	Unallocated Loss Adjustment Expenses Incurred	3,207,928,000
7	Unpaid Losses	1,823,291,000
8	Allocated Loss Adjustment Expenses Unpaid	97,868,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,020,127,000
10	Unearned Premium Reserves	9,781,449,000
11	Agents' Balances	5,403,526,000
12	Commission and Brokerage Expense	2,597,478,000
13	Taxes, Licenses and Fees Incurred	825,025,000
14	Other Acquisition, Etc. Expenses Incurred	2,853,408,000
15	General Expenses Incurred	1,530,529,000
16	Other Income Less Other Expenses	161,149,000
17	Pretax Profit Excluding Investment Gain	3,491,266,000
18	Investment Gain on Insurance Transactions	238,789,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,730,059,000
20	Investment Gain on Capital and Surplus	1,332,990,000
21	Total Profit or Loss	5,063,061,000

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

11. IDENTIFICATION OF APPLICABLE STATISTICAL PLANS AND PROGRAMS AND A
CERTIFICATION OF COMPLIANCE WITH THEM

(a) ISO Personal Auto Statistical Plan

ISO Minimum Personal Auto Statistical Plan

ISO 2006 Call for Personal Auto Bodily Injury and Property Damage
Liability and No-Fault Statistics

ISO 2006 Call for Personal Auto Minimum Statistical Plan Liability
and No-Fault Statistics

ISS Automobile Statistical Plans - All Coverages

ISS 2006 quarterly Automobile Liability Call

ISS Voluntary Automobile Excess Loss Call

Annual Statement for Calendar Year 2006

Insurance Expense Exhibit for Calendar Year 2006

RB Calls for 2006 North Carolina Automobile Expense Experience

NISS Automobile Statistical Plan - All Coverages - Part IV, North
Carolina

NISS 2006 Quarterly Automobile Call

NISS 2006 Quarterly Automobile Excess Loss Call

NISS 2006 Calendar Year Annual Statement

NISS 2007 Financial Reconciliation Call

(b) The North Carolina Rate Bureau and North Carolina Reinsurance
Facility certify that there is no evidence known to them or, insofar
as they are aware following reasonable inquiry, to the statistical
agencies involved that the data which were collected under the
statistical plans identified in response (11)(a) above and used in
the filing are not materially true and accurate representations of
the experience of the companies whose data underlie such experience.
While the Rate Bureau and Reinsurance Facility are aware that the
collected data sometimes require corrections or adjustments, their
review of the data, the data collection process, and the ratemaking
process indicates that the aggregate data are reasonable and
reliable for ratemaking purposes. See also the pre-filed testimony
of P. Woods.

(c) Pages F-185-189 contain general descriptions of the editing
procedures used to ensure data were collected in accordance with the
applicable statistical plans.

North Carolina Private Passenger Automobile Insurance Statistical Data

ISO Editing Procedures

1. Upon receipt of the data from each reporting company, checks are made to ensure that each record (i.e., the data reported for each exposure) has valid and readable information. This includes a check that the appropriate alpha-numeric codes have been utilized.
2. The records are then checked to ensure that each of the fields has a valid code in it (e.g., company numbers must be entered as four-digit numerals).
3. Relationship edits which evaluate the interrelationship between codes are then performed. For example, if a record indicates North Carolina, Private Passenger, Bodily Injury, checks are made to ascertain that applicable interrelationships are maintained.
4. Distributional edits are performed to make sure that the reporting company has not erred in miscoding its data into a single class, territory, or other rating criteria due a systems problem or other error.
5. The resulting combined data from all the company records are reconciled with Page 15 Annual Statement data for that company.
6. After all of the ISO data are aggregated, a consolidated review of the data is conducted to determine overall reasonableness and accuracy. In this procedure the data are compared with previous statewide and territory figures. Areas of concern are identified and results are verified by checking back to the source data.

ISO's edit procedure for Private Passenger Automobile data is in compliance with the requirements of the Statistical Data Monitoring System (SDMS) which is mandated for use in several states and was developed by the New York Insurance Department in conjunction with the Arthur Andersen Company. SDMS was developed to provide procedures for the companies that report, and state agents that collect, data in order to put controls into the reporting system to generate valid results. ISO employs the procedures detailed by SDMS throughout the country.

ISS Editing Procedures

The following narrative sets forth a general description of the editing procedures utilized by ISS to review North Carolina statistical data. All North Carolina experience submitted to the ISS by affiliated companies undergoes standard procedures to ensure that the data is reported in accordance with the ISS's approved statistical plans.

ISS's review of the data takes place on two levels: analysis of individual company data and analysis of the aggregate data of all the companies combined. These two separate functions will be treated in that order.

Analysis of Company Data

Analysis of company data includes: completeness checks, editing for valid coding and checking the distribution of data among the various data elements.

1. Completeness Checks (Balancing and Reconciliation):

Balancing and reconciliation procedures are used to determine completeness of reporting. Completeness means that the ISS has received and processed all of the data due to be filed with the ISS. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that ISS has processed completely the experience included in the company's submission of data and that no errors occur during this processing. As a second check for completeness, the reported statistical data is reconciled to Page 15 totals from the company's Annual Statement. It is a useful procedure in determining completeness because the annual statement represents an independent source of information.

2. Editing of Codes:

Format and Readability

Statistical data reported by affiliated companies must be filed in accordance with ISS's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for ISS to properly read and process these submissions. The initial edit is a test of each company's submission to ensure it has been reported using the proper record format and that it meets certain technical requirements for the line of insurance being reported. Key fields are tested to ensure that only numeric information has been reported in fields defined as numeric, and that the fields have been reported in the proper position in the record.

Relational Edits

The data items of information filed with the insurance company's experience are reported by using codes defined under ISS's statistical plans. For example, the various types of Policy Forms written on Homeowners policies in North Carolina are defined in the Personal Lines Statistical Plan. Similarly, the various coverages written on private passenger automobile policies in North Carolina are defined in the Automobile Statistical Plan. Each definition for each data element has a unique code assigned to it which distinguishes it from other definitions. All data items applicable to North Carolina are defined in a similar manner in each of ISS's statistical plans and have codes assigned to properly identify each definition.

All records reported to ISS are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined ISS Statistical Plan codes for North Carolina experience.

The purpose of the edit is to validate the statistical codes reported in each record. This validation is called a Relation Edit. A relational edit verifies that a reported code is valid in combination with one or more related data items. Relational edit tests are accomplished primarily through the use of specific edit tables applicable to each line of insurance.

In most cases, the experience data in the record is used in conjunction with the related codes and compared to an establishment or discontinued date for the code being validated. This ensures that specific codes are not being utilized beyond the range of time during which they are valid.

An example of a relational edit involves territory coding. Many territory code numbers are available under each statistical plan for various states, with various effective dates. However, only codes defined for North Carolina for the specific line being processed are valid in combination with North Carolina reported experience. Further, if a new code is erected, that code will be considered valid only if the date reported in the statistical record is equal or subsequent to the establishment date of the code.

3. Distributional Analysis:

The validation of the codes is not by itself sufficient to assure the credibility of company data. Having assured the reporting of valid codes, the statistical agent must verify that valid entries are indeed reliable. Therefore, the data is also reviewed for reasonable distributions. The primary focus of this review is to establish that the statistical data reported by the company is a credible reflection of the company's experience.

The distribution of company experience by specific data elements such as state, territory, policy form, and construction, for example, for the current reporting period is compared to company profiles of prior periods. In addition, ratios relevant to the line of insurance such as average premium, average loss, volume, loss ratio and loss frequency are compared to industry averages. This historical comparison can highlight changes in the pattern of reporting.

The distributional analysis serves as an additional verification that systematic errors are not introduced during the production of data files submitted to ISS by our affiliated companies. Disproportionate amounts of premiums and/or losses in a particular class or territory, for example, can be detected using this technique.

Validation of Aggregate Data

After the individual company has been reviewed, the data for all reporting companies is compiled to produce aggregate reports. The aggregate data represents the combined experience of many companies. This data is also subjected to similar review procedures. To ensure completeness, run to run control techniques are applied. This includes balancing the totals of the aggregate runs to previously verified control totals. In this manner the aggregate data is monitored to ensure the inclusion of the appropriate company data.

The aggregate data is also reviewed for credibility through distributional analysis similar to that performed on the individual company data. Earned exposures (where applicable) and premiums and incurred losses and claims are used to calculate pure premiums, claim frequencies and claim costs for comparison to past averages. The analysis of the aggregate data centers on determining consistency over time by comparing several years of experience, by coverage and class, or territory, for example. Through the application of these techniques, ISS is able to provide reliable insurance statistical data in North Carolina.

NISS Editing Procedures

- a. Every report received is checked for completeness. Every submission must include (1) an affidavit; (2) a letter of transmittal setting forth company control totals for the data being sent; (3) the data being reported on tape, cartridge, diskette or form to be keyed.
- b. Individual company submissions are balanced to the company letter of transmittals to ensure that all data have been received and processed. After all four quarters of data have been received, the company reports are reconciled to the Annual Statement Page 15 amounts. The NISS Financial Reconciliation identifies any amounts needed to reconcile any differences between the company reported data and Annual Statement amounts.
- c. Every company record submitted to NISS is verified through NISS edit software for its coding accuracy and conformance with NISS record layouts and instructions. NISS edits verify the accuracy of each code for each data element. Where possible, each data element is subjected to a relational edit whereby it will be checked for accuracy in conjunction with another field.
- d. Individual company submissions are also subjected to a series of reasonability tests to determine that the current submission is consistent with previous company submissions, known changes in this line of business and statewide trends. NISS compares current quarter data to the previous quarter. This comparison is performed and analyzed by grouping data.
- e. After all of the NISS data are combined, a review of this consolidated data is also performed. The aggregate data is compared on a year to year basis to again verify its reasonableness, similar to those checks employed on an individual company submission.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Not applicable.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

13. LEVEL OF CAPITAL AND SURPLUS NEEDED TO SUPPORT PREMIUM WRITINGS WITHOUT
ENDANGERING THE SOLVENCY OF MEMBER COMPANIES

Not applicable.

STATISTICAL DATA TO COMPLY WITH NORTH CAROLINA
REQUIREMENTS FOR A PRIVATE PASSENGER RATE FILING
AS PER 11 NCAC 10.1104

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

- (a) See pre-filed testimony of P. Woods.
- (b) See the attached Exhibit (14)(b).
- (c) Not applicable.
- (d) The following changes in methodology from those used in the June 19, 2007 filing have been incorporated into this filing:
 - No changes have been incorporated.

See also pre-filed testimony of P. Woods.

Pages F-193 et seq are reserved for meeting minutes.

**INSURANCE SERVICES OFFICE, INC.
NORTH CAROLINA RATE BUREAU**

NOTICE TO MANUALHOLDERS

**PERSONAL AUTO MANUAL – NORTH CAROLINA
NOTICE 2008-004**

CAUTION

Manualholders should determine from company instructions whether a company has adopted this revision.

INSTRUCTIONS TO MANUALHOLDERS

Revised manual pages are enclosed. If your company has adopted this revision, you should insert these pages into your manual.

EFFECTIVE DATE

This revision is applicable to all new and renewal policies effective on or after February 1, 2008.

CHANGE(S)

This Notice introduces a revision to the inexperienced operator rule in the North Carolina Personal Auto Manual. The revised rule is intended to provide companies more flexibility in determining the number of years driving experience. Currently, there are approximately 35 states in the United States that do not track the date a driver was originally licensed. They only track the latest renewal driver's license. This revision is intended to provide companies the ability to rely on additional information provided by the insured to determine the number of years driving experience.

The revised rule also introduces an exception for active military personnel. A number of states grant military extensions to active military personnel which means that the individual is not required to return to their home state to renew their driver's license as long as they are active in the military. In some cases, the states "purge" their motor vehicle records (MVR) if there has been no activity within a certain number of years. When a company orders an MVR from that state a "no hit" is returned because the record has been "purged". If this occurs, the exception in the revised manual rule allows the company to rely on additional documentation provided by the applicant.

The revised rule requires the company to maintain the additional information provided by the insured for at least three years.

REVISED PAGE(S)

NC-GR-3 thru NC-GR-7

PAGE CHECKLIST

Included in this distribution is a page checklist displaying the latest page numbers and edition dates.

REFERENCE INFORMATION (FOR COMPANY USE ONLY)

Circular Reference(s):

- A-07-3 (11/26/2007) NCRB Circular Letter

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**PERSONAL AUTO MANUAL
PAGE CHECKLIST – NORTH CAROLINA**

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST STATE PAGE INFORMATION AS OF **2-08**.
NO MULTISTATE APPLIES

NOTE: ALWAYS USE THE EDITION NUMBER TO DETERMINE THE LATEST PAGE.

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PAGE NUMBER	EDITION		PAGE NUMBER	EDITION	
	NUMBER	DATE		NUMBER	DATE
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Rule Numbers and Subjects	First Reprint	Eff. 7-1-82	NC-GR-22	10th	7-03
			NC-GR-23	20th	5-06
			NC-GR-24	21st	11-06
			NC-GR-25	18th	11-06
			NC-GR-26	6th	5-06
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Index-c	9th	12-96	NC-GR-28	12th	1-08
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			NC-GR-30	7th	5-06
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**NORTH CAROLINA
PERSONAL AUTO MANUAL
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- 3. PREMIUM DETERMINATION**
- 4. CLASSIFICATIONS**
- 5. SAFE DRIVER INSURANCE PLAN (SDIP)**
- 6. MODEL YEAR FOR FIRE, THEFT, COMBINED ADDITIONAL COVERAGE, COMPREHENSIVE AND COLLISION COVERAGES**
- 7. MINIMUM PREMIUM RULE**
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**NORTH CAROLINA STATISTICAL
CODING SHEET**

PRIMARY CLASSIFICATION CODES*

No Inexperienced Operators

Vehicle Use	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Pleasure	1141	1142
Work – Less Than 10	1161	1162
Work – 10 or More	1171	1172
Business	1181	1182
Farm	1191	1192

Inexperienced Operators

Years of Driving Experience	Vehicle Use	Principal Operator		Occasional Operator	
		Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount	Single Car Risk or Multi-Car Risk With No Discount	Multi-Car Discount
Less Than 1 Year	Pleasure	1241	1242	1341	1342
	Work – Less Than 10	1261	1262	1361	1362
	Work – 10 or More	1271	1272	1371	1372
	Business	1281	1282	1381	1382
	Farm	1291	1292	1391	1392
Less Than 2 Year	Pleasure	1441	1442	1541	1542
	Work – Less Than 10	1461	1462	1561	1562
	Work – 10 or More	1471	1472	1571	1572
	Business	1481	1482	1581	1582
	Farm	1491	1492	1591	1592
Less Than 3 Years	Pleasure	1641	1642	1741	1742
	Work – Less Than 10	1661	1662	1761	1762
	Work – 10 or More	1671	1672	1771	1772
	Business	1681	1682	1781	1782
	Farm	1691	1692	1791	1792

* Each code must have as the fifth and sixth digits the applicable Safe Driver Insurance Plan code.
For complete coding requirements, refer to the Statistical Plan.

1. DEFINITIONS

- A. 1.** A private passenger auto is a four wheel motor vehicle, other than a truck type or van, owned or leased under contract for a continuous period of at least six months, and
- a.** Not used as a public or livery conveyance for passengers.
 - b.** Not rented to others.
- 2.** A motor vehicle that is a pickup truck or van shall be considered a private passenger auto, if it:
- a.** Is owned by an individual or by a husband and wife or individuals who are residents of the same household,
 - b.** Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - c.** Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1)** Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2)** For farming or ranching.

A pickup truck or van used in the business of the United States Government, by an employee of the Government, shall be considered a private passenger auto only if:

- a.** It meets the conditions in **a.**, **b.** and **c.** above; and
 - b.** Coverage is limited in accordance with the federal employees using autos in government business endorsement.
- 3.** A motor vehicle owned by a farm family co-partnership, or farm family corporation shall be considered a private passenger auto owned by an individual, if:
- a.** It is principally garaged on a farm or ranch, and
 - b.** It otherwise meets the definitions in Paragraphs **1.** and **2.** above.
- B.** AUTO as used in this manual refers to a private passenger auto or a vehicle considered as a private passenger auto.
- C.** LIABILITY as used in this manual refers only to Bodily Injury and Property Damage Coverages.
- D.** COMPREHENSIVE COVERAGE as used in this manual refers to other than collision damage to a motor vehicle.
- E.** OWNED as used in this manual includes an auto leased under contract for a continuous period of at least six months. If an auto lease contract requires the lessee to provide primary insurance for the lessor, attach the applicable endorsement.
- F.** REFER TO COMPANY means that North Carolina Risks shall be referred by the company to the North Carolina Rate Bureau.

2. PERSONAL AUTO POLICY – ELIGIBILITY

- A.** A Personal Auto Policy shall be used to afford coverage to private passenger autos and motor vehicles considered as private passenger autos in Rule **1.**, if:
- 1.** They are written on a specified auto basis, and
 - 2.** They are owned by an individual or by a husband and wife who are residents in the same household.
- B.** A Personal Auto Policy shall be used to afford coverage to private passenger autos that are owned jointly by two or more individuals other than husband and wife, if:
- 1.** They are written on a specified auto basis, and
 - 2.** Coverage is limited in accordance with the applicable endorsement.
- C.** A Personal Auto Policy shall be used to afford coverage to motorcycles, golfcarts or other similar type vehicles and snowmobiles not used for commercial purposes, if:
- 1.** They are written on a specified vehicle basis, and
 - 2.** Coverage is limited in accordance with the applicable endorsement.
- D.** A Personal Auto Policy shall be used to afford coverage to a named individual who does not own an auto. The applicable endorsement must be attached.
- E.** A Personal Auto Policy shall be used to afford coverage to private passenger autos not owned by a natural person and not rated as part of a fleet. The applicable endorsement must be attached.
- F.** A Personal Auto Policy may be used to afford coverage to five or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household if the autos are not used for business use, other than farming or ranching.

Exceptions

Exposures in **A.**, **B.**, **C.**, or **E.** above may be written under a commercial auto policy when combined with a commercial risk.

Exposures in **F.** above may be written under a commercial auto policy.

3. PREMIUM DETERMINATION

- A.** For 1971-1982 model year sports cars identified in the Symbol Section as "s", the applicable symbol shall be one less than that shown.
- B.** Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision premiums are determined as follows:

3. PREMIUM DETERMINATION (Cont'd)

1. Refer to the Classification Rule to determine the applicable Primary Classification, Rating Factor and the Single or Multi-Car and Inexperienced Operator Rating Factor and Statistical Codes.

Add these rating factors to determine the Combined Rating Factor applicable to each auto.

2. Refer to the Safe Driver Insurance Plan Rule to determine the Driving Record Surcharge Premium applicable to each coverage for each auto.

For autos not eligible for SDIP:

Add +0.10 to the Combined Rating Factor determined above.

Use statistical code 95.

3. Model Year and Symbol Determination

- a. Refer to the Model Year Rule and Symbol and Identification Section for the appropriate model year and symbol.

If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

- b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol.

- (1) If the S&I Section displays a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.

- (2) If the S&I Section does NOT display a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

4. Refer to Territory Definitions to determine the territorial schedule code number for the location where the auto is principally garaged.

5. Refer to the state rate pages to determine base rates for the desired coverage for the appropriate territory.

Note

Clean Risks Ceded to the North Carolina Reinsurance Facility (Statistical Code 02).

The rates charged for "clean risks" ceded to the North Carolina Reinsurance Facility shall not exceed the rates charged "clean risks" not ceded to the Reinsurance Facility. The rates for "clean risks" ceded to the North Carolina Reinsurance Facility are set forth on the state rate page showing rates for Voluntary Business and "Clean Risks" Ceded to the North Carolina Reinsurance Facility.

For the purpose of this rule, a "clean risk" shall be any owner of a motor vehicle that is classified as a private passenger auto if the owner and the principal operator and each licensed operator in the owner's household:

- a. Have two years driving experience as a licensed driver, which experience is determined in the manner provided in Rule 4.G.1., and

- b. Have **not** been assigned any Safe Driver Insurance Plan points during the three year period immediately preceding the date of application for motor vehicle insurance or the date of preparation for a renewal motor vehicle insurance policy.

6. The premium for each coverage is determined by multiplying the base rate by the Combined Rating Factor, then adding the Driving Record Surcharge Premium applicable to the coverage for each auto.

4. CLASSIFICATIONS

The provisions of this rule apply separately to the premiums for Bodily Injury and Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

- A. Autos owned by an individual or owned jointly by two or more individuals are classified as follows:

Refer to Section C. below for definitions of terms used in this rule.

Code	Class	Definitions
114	1A	There is no BUSINESS USE of the auto and the auto is not DRIVEN TO OR FROM WORK OR SCHOOL.
116	1B	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of less than 10 road miles one way.
117	1C	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of 10 or more road miles one way.
118	3	The auto is used for BUSINESS USE.
119	1AF	The auto is a FARM AUTO.

- B. Private passenger autos owned by corporations, co-partnerships, or unincorporated associations shall be rated as Class 3.

4. CLASSIFICATIONS (Cont'd)

Exceptions

1. For corporations, co-partnerships or unincorporated associations owning less than five motor vehicles:

An owned private passenger auto principally furnished to a specified individual shall be classified and rated as if owned by that individual, in accordance with Rule 4.A., provided the auto is not used for business purposes.

2. For Farm family co-partnerships or Farm family corporations:

An owned private passenger auto principally garaged on a farm or ranch shall be rated as Class 1AF provided the vehicle is:

- a. Not used in any occupation other than farming or ranching, or
- b. Not customarily used in going to or from work other than farming or ranching.

C. Definitions

1. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.
2. **FARM AUTO** means the auto is principally garaged on a farm or ranch, and
 - a. It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
 - b. It is not customarily used in any occupation other than farming or ranching.
3. **DRIVEN TO OR FROM WORK OR SCHOOL** means the auto is customarily used in the course of driving to or from work or school and shall include:
 - a. The use of the auto in a car pool or other share the ride arrangement.
 - b. Driving part way to or from work or school whether or not the auto is parked at a depot during the day.

Note

If an auto is driven to or from work or school on less than a daily basis, the classification used in rating the auto shall be subject to the following:

- (1) If otherwise in Class 1B, the auto shall be classified as 1A if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

- (2) If otherwise in Class 1C the auto shall be classified as 1B if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

Refer to company for certification form.

4. **RESIDENT** means anyone residing in the same household as the applicant and shall include an individual absent from the household while attending school. An individual in active military service with the armed forces of the United States of America shall **not** be included as resident in the same household unless such individual customarily operates the auto.

D. Single and Multi-Car Risks

The applicable Multi-Car Rating Factor shall apply if two or more four wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household are insured in the same policy.

Exception

If a company's procedure does not permit insuring all vehicles in the same policy, the applicable Multi-Car Rating Factor shall apply only if the company insures two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household.

This discount does not apply to antique autos as defined in the Miscellaneous Types Rule.

LIABILITY COVERAGES ONLY

- E. An auto subject to Class 3 rates because of use in the business of the United States Government by one of its employees may be classified and rated as Class 1A, 1B, or 1C when the applicable endorsement is used to limit coverage.

F. Inexperienced Operator**LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The appropriate Inexperienced Operator Surcharge shall be applied for each owner or resident operator of the auto who has less than three years driving experience as a licensed driver.
 - a. The insurer shall obtain a verifiable motor vehicle record on each owner or resident operator from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records and shall determine the number of years of driving experience as a licensed driver for each owner or resident operator of the auto from such motor vehicle records to the extent possible.

4. CLASSIFICATIONS (Cont'd)

- b. If a verifiable motor vehicle record obtained by the insurer does not show conclusively the number of years of driving experience for each owner or resident operator of the auto, the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.
- c. If a verifiable motor vehicle record cannot be obtained from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers' license records, then the owner or resident operator shall be rated as inexperienced.

Exception: If the insurer is unable to obtain a verifiable motor vehicle record because such records are no longer available and the owner or resident operator has a drivers' license that continues to be valid by virtue of a military extension, then the insurer may determine the number of years of driving experience as a licensed driver based upon information provided by the applicant.

Insurers shall maintain in their files for at least three years from the inception of the policy the information upon which the number of years driving experience was determined.

Only driving experience in the United States of America, Canada or Puerto Rico may be used to determine the number of years of driving experience as a licensed driver.

The surcharge shall not be applied for more than three years regardless of policy term or effective date.

Note

A driver who holds a learner's permit only shall not be deemed a licensed driver for the purpose of determining the inexperienced operator premium surcharge.

- 2. If there are two or more autos in the same household as the applicant, the inexperienced operator rates shall be applied separately to the number of autos equal to the number of inexperienced operators. Inexperienced operator rates shall not be used in rating such autos in excess of the number of inexperienced operators.

The inexperienced operator surcharge(s) shall be applied to the auto(s) which the inexperienced operator principally operates. In the case of an occasional operator, the surcharge shall be applied to the auto most frequently operated by the inexperienced operator.

G. Airbag Discount

The following discounts apply to Medical Payments Coverage Only. To qualify, the private passenger auto must be equipped with a factory installed airbag(s) which conforms to the federal crash protection requirements, and meets the criteria of either Paragraph 1. or 2. below:

1. 20% discount shall be afforded when the airbag is installed in the driver-side-only position.
2. 30% discount shall be afforded when the airbags are installed in both front outboard seat positions.

H. Optional Rating Characteristics

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed classifications to determine rates by coverage, as long as applicable legal requirements are satisfied. The resulting premium by coverage shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor by coverage for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium by coverage does not exceed the Bureau premium by coverage.

1. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; number of drivers; number of vehicles; payment history; payment options; prior insurance; and new and renewal status.
2. Driver characteristics not otherwise recognized in this manual. Examples include: years of driving experience; convictions, accidents, claims or incidents; accident-free experience; accident forgiveness; annual mileage; cell phone type and usage; credit information; defensive driving course; good student; home ownership; marital status; and military status.
3. Vehicle characteristics not otherwise recognized in this manual. Examples include: airbags; customization; electronic monitoring or safety devices; engine characteristics; safety features or engineering; theft deterrence/recovery devices; place and type of garaging; type of fuel used; vehicle age, make, model and model year; and vehicle use.
4. Affinity group or other group not otherwise recognized in this manual.
5. Any other rating characteristic or combination of characteristics if filed by a company and approved by the Commissioner.

5. SAFE DRIVER INSURANCE PLAN (SDIP)

The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

A. Eligibility

The Plan shall be applied in rating all eligible autos.

An auto is eligible for rating under this Plan if it is owned by an individual or owned jointly by two or more individuals resident in the same household provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or
2. A motor vehicle that is a pickup truck or van, if it:
 - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - b. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

Exception

The SDIP applies to policies written for a term in excess of 12 months. Such policy must provide for an annual adjustment of premium.

B. Definitions

1. Driving Record Points
 - a. Convictions

Records of convictions for moving traffic violations to be considered under this Plan shall be obtained at least annually from the Division of Motor Vehicles for the applicant and any currently resident operator.

Points shall be assigned for convictions during the experience period for moving traffic violations of the applicant or any currently resident operator, based on date of conviction, as follows:

 - (1) Twelve points shall be assigned for a conviction for:
 - (a) Manslaughter (or negligent homicide) resulting from the operation of a motor vehicle;
 - (b) Prearranged highway racing or knowingly lending a motor vehicle to be used in a prearranged highway race; or

- (c) Failing to stop and render aid when involved in an accident resulting in bodily injury or death (hit-and-run driving);
- (d) Impaired driving, including driving a vehicle while under the influence of an impairing substance; driving a vehicle with an alcohol concentration of 0.08 or more; and driving a commercial vehicle with an alcohol concentration of 0.04 or more; and

Note

There shall be no premium surcharge or assessment of points against an insured where (i) the insured's driver's license has been revoked under G.S.20-16.5; and (ii) the insured is subsequently acquitted of the offense involving impaired driving, as defined in G.S.20-4.01(24a), that is related to the revocation, or the charge for that offense is dismissed.

- (e) Transportation for the purpose of sale of illegal intoxicating liquors by motor vehicle.
- (2) Ten points shall be assigned for a conviction for:
 - (a) Highway racing or knowingly lending a motor vehicle to be used in a highway race; or
 - (b) Speeding to elude arrest.
- (3) Eight points shall be assigned for a conviction for:
 - (a) operating during a period of revocation or suspension of license or registration.
 - (b) aggressive driving.
- (4) Four points shall be assigned for a conviction for:
 - (a) Failing to stop and report when involved in a motor vehicle accident resulting in property damage only (hit-and-run-driving);
 - (b) Driving a motor vehicle in a reckless manner;
 - (c) Passing a stopped school bus;
 - (d) Speeding in excess of 75 miles per hour when the posted speed limit is less than 70 miles per hour;
 - (e) Speeding in excess of 80 miles per hour when the posted speed limit is 70 miles per hour or greater; or
 - (f) Driving by a person less than 21 years old after consuming alcohol or drugs.

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

- (5) Two points shall be assigned for a conviction for:
- (a) Illegal passing;
 - (b) Speeding more than 10 miles per hour over the posted speed limit, provided the total speed was in excess of 55 miles per hour but less than 76 miles per hour;
 - (c) Speeding 10 miles per hour, or less, in excess of the posted speed limit in a speed zone of 55 miles per hour or greater;
- Waiver**
- These points shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.
- (d) Following too closely; or
 - (e) Driving on wrong side of road.
- (6) One point shall be assigned for a violation resulting in a conviction for speeding 10 miles per hour, or less, in excess of the posted speed limit of less than 55 miles per hour.

Waiver

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

Exceptions

This **WAIVER** does **NOT** apply to convictions of speeding in a school zone in excess of posted school zone speed.

- (7) With respect to any other conviction for a moving traffic violation, one point shall be assigned for each such conviction.

Exception

Convictions for the following shall not be regarded as moving traffic violations:

- (a) Inadequate muffler or excess escape of exhaust products;
- (b) Improper lights or other equipment except brakes;
- (c) Failure to sign or display registration card;
- (d) Failure to display license plates;
- (e) Failure to have in possession driver's license provided there is a valid one in existence; or
- (f) Failure to display current inspection certificate.

b. Accidents

Points shall be assigned for each accident that occurred during the experience period, involving the applicant or any current resident operator, while operating a private passenger auto.

If an accident results both in bodily injury or death and in damage to property, points shall be assigned on the basis of the element of loss (bodily injury, death, or property damage) which generates the greatest number of points for the accident.

ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED BEFORE JANUARY 1, 2004

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,500 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
 - (i) Death or
 - (ii) Total bodily injury to all persons in excess of \$1,500.

ACCIDENTS RESULTING IN BODILY INJURY OR DEATH THAT OCCURRED ON OR AFTER JANUARY 1, 2004

- (1) One point shall be assigned for each at-fault auto accident that results in total bodily injuries to all persons of \$1,800 or less.
- (2) Three points shall be assigned for each at-fault auto accident that results in:
 - (i) Death or
 - (ii) Total bodily injury to all persons in excess of \$1,800.

Exception

If the insured furnishes adequate proof that incurred medical costs related to the accident were solely for diagnostic purposes and that the accident did not result in any bodily injury, no SDIP points for bodily injury will be assigned, or points for bodily injury assigned as a result of the accident will be removed as of the most recent policy effective date.

ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED BEFORE JANUARY 1, 2004

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$2,500 or more.

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

- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,500 but less than \$2,500.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,500 or less.

ACCIDENTS RESULTING IN PROPERTY DAMAGE THAT OCCURRED ON OR AFTER JANUARY 1, 2004

- (1) Three points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, of \$3,000 or more.
- (2) Two points shall be assigned for each at-fault auto accident that results in total damage to all property, including the insured's own, in excess of \$1,800 but less than \$3,000.
- (3) One point shall be assigned for each at-fault auto accident that results in total damage to all property including the insured's own, of \$1,800 or less.

Exception

No points are assigned for accidents occurring under the following circumstances:

- (a) Auto lawfully parked (if the parked vehicle rolls from the parked position then any such accident is charged to the person who parked the auto); or
- (b) The applicant, owner or other resident operator reimbursed by, or on behalf of, a person who is responsible for the accident or has judgment against such person; or
- (c) Auto is struck in the rear by another vehicle and the applicant or other resident operator has not been convicted of a moving traffic violation in connection with this accident; or
- (d) Auto operated by the applicant or any resident operator is struck by a "hit-and-run" vehicle, if the accident is reported to the proper authority within 24 hours by the applicant or resident operator; or
- (e) Accidents involving damage by contact with animals or fowl; or
- (f) Accidents involving Physical Damage, limited to and caused by flying gravel, missiles, or falling objects.

- (g) Accidents occurring as a result of the operation of a firefighting, rescue squad, or law enforcement vehicle in response to an emergency if the operator of the vehicle at the time of the accident was a paid or volunteer member of any fire department, rescue squad, or any law enforcement agency. This exception does not include an accident occurring after the vehicle ceases to be used in response to the emergency and the emergency ceases to exist.

Notes

- (1) For the purpose of this Plan a "conviction" shall mean a plea of guilty, or of nolo contendere or the determination of guilt by a jury or by a court though no sentence has been imposed (prayer for judgment continued) or, if imposed, has been suspended (unless it is the first prayer for judgment continued for all licensed operators in the household); and it includes a forfeiture of bail or collateral deposited to secure appearance in court of the defendant, unless the forfeiture has been vacated.
- (2) For the purpose of this Plan, a "moving traffic violation" shall include an infraction as described in **G.S. 14-3.1**.
- (3) The phrase "at-fault" means "negligent". No points shall be assigned for accidents when the operator of an insured vehicle is free of negligence.
- (4) References to other operators residing in the applicant's household shall also include a principal operator who is not a resident in the applicant's household.
- (5) In the event the applicant or any current resident operator has an at-fault accident and is convicted of a moving traffic violation in connection with the accident, only the higher surcharge points between the accident and the violation shall be assigned.
- (6) For accidents that occur on or after January 1, 1992, the One Point accident surcharge in Section **B.1.b.(3)** of this rule does not apply if both of the following conditions are met:
 - (a) The operator was not convicted of a moving traffic violation in connection with the accident; and

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

- (b) The vehicle owner, principal operator, and all licensed operators in the owner's household have had no convictions for moving traffic violations and no other at-fault accidents during the three-year period immediately preceding the date of the application or the date of preparation of the renewal.

2. Experience Period

The experience period shall be the three years immediately preceding the date of application or the preparation of the renewal. SDIP points shall be applied to a policy for a period of not less nor more than three policy years.

C. Driving Record Sub-Classification

The driving record sub-classification shall be determined from the number of Driving Record Points accumulated during the experience period as follows:

Number of Driving Record Points	Driving Record Sub-Classification
0	0
1	1
2	2
3	3
4	4
5	5
6	6
7	7
8	8
9	9
10	10
11	11
12 Or More	12
Not Eligible For Plan	NE

D. Driving Record Surcharge Premium

1. Single Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Multiply the base premium for each coverage applicable to the auto by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.
- c. The Driving Record Surcharge Premium for each coverage of the auto equals the SDIP Surcharge for that coverage.
- d. Add the applicable Driving Record Surcharge Premium for each coverage to the otherwise applicable premium for each coverage of the auto.

2. Multi-Car Risks

- a. Determine the Driving Record Sub-Classification for the policy and the applicable SDIP Rating Factor.
- b. Select the auto with the highest Total Base Premium for all coverages combined.

TOTAL BASE PREMIUM is the sum of the base premiums for Bodily Injury and Property Damage Liability, Medical Payments, Comprehensive (or Fire, Theft and Combined Additional Coverage) and Collision coverages that apply to the auto.

- c. For each coverage applicable to the auto with the highest Total Base Premium for all coverages combined.

Multiply the base premium for each coverage by the SDIP Rating Factor to determine the SDIP Surcharge for each coverage. Round each coverage surcharge to the nearest whole dollar.

- d. The Driving Record Surcharge Premium is determined separately by coverage for each auto that is insured for that coverage and eligible for SDIP rating.

- (1) Determine the number of eligible autos insured for each coverage.

- (2) The Driving Record Surcharge Premium for each coverage of each auto equals the SDIP Surcharge for that coverage divided by the number of eligible autos insured for that coverage.

- (3) If the above calculation results in a fractional dollar amount for each auto then:

determine the remainder dollar amount and add it to the Driving Record Surcharge Premium for one of the insured autos and disregard the fractional dollar amounts.

Note

The Whole Dollar Premium Rule does not apply in this instance.

- (4) If an auto is insured for a coverage not applicable to the auto with the highest Total Base Premium for all coverages combined, then no surcharge applies to that coverage.

- e. Add the applicable Driving Record Surcharge Premium for each coverage of each auto to the otherwise applicable premium for each coverage of each auto.

3. Statistical Coding

- a. Single Car Risks – Assign the Driving Record Sub-Classification Statistical Code, reflecting the number of points, to the auto.

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

b. Multi-Car Risks – Assign the Driving Record Sub-Classification Statistical Code reflecting:

- (1)** The number of driving record points, to the auto with the highest Total Base Premium.
- (2)** Zero driving record points, to each other auto insured on the policy.

E. Cancellations and Changes**1. Policies for Terms Not Exceeding One Year**

No policy shall be endorsed in term to effect a change of Driving Record Sub-Classification except to recognize the addition or deletion of an operator.

2. Policies for Terms Exceeding One Year

No policy shall be endorsed to effect a change of Driving Record Sub-Classification until the next annual anniversary of the inception of the policy except to recognize the addition or deletion of an operator.

PRIMARY CLASSIFICATION RATING FACTORS*

Coverage	Pleasure Use	Drive to or from Work		Business Use	Farm Use
	(1A)	Less than 10 Miles (1B)	10 or More Miles (1C)	(3)	(1AF)
B.I., P.D., Med. Pay	1.00	1.05	1.05	1.05	.80
Collision	1.00	1.10	1.10	1.10	.80
Comprehensive Fire, Theft, C.A.C.	1.00	1.20	1.20	1.20	.80

SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR*
 Add the following rating factors to the Primary Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.30	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.50	Factor +3.40	Factor +0.70
	Less than Two Years	Factor +1.75	Factor +1.90	Factor +0.55
	Less than Three Years	Factor +1.30	Factor +1.65	Factor +0.55
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.90	Factor +2.10	Factor +0.25
	Less than Two Years	Factor +0.90	Factor +1.10	Factor +0.10
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.15	Factor +3.10	Factor +0.60
	Less than Two Years	Factor +1.40	Factor +1.60	Factor +0.45
	Less than Three Years	Factor +0.95	Factor +1.35	Factor +0.45
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.55	Factor +1.80	Factor +0.15
	Less than Two Years	Factor +0.55	Factor +0.80	Factor +0.00
Less than Three Years	Factor +0.25	Factor +0.55	Factor -0.10	

* For Statistical Coding Requirements – Refer to page NC-E-Coding.

PRIMARY CLASSIFICATION RATING FACTORS
(Cont'd)

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES			
Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.			
Use the statistical code indicated for the Driving Record Sub-Classification.			
Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.25
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	1.05
6	6	06	1.30
7	7	07	1.60
8	8	08	1.90
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
Not Eligible	NE	95	+0.10

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**6. MODEL YEAR FOR FIRE, THEFT, COMBINED
ADDITIONAL COVERAGE, COMPREHENSIVE
AND COLLISION COVERAGES**

A. Model Year Rating

1. The model year of the auto is the year assigned by the auto manufacturer.
2. Rebuilt or Structurally Altered Autos – the model year of the chassis determines the model year of the auto.
3. If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

B. Coding

Policies effective July 1, 1982 and subsequent:

Code the two digits of the model year, for example, code 1982 vehicles as 82, 1983 as 83, etc.

7. MINIMUM PREMIUM RULE

The minimum annual premium charge is \$10 for each policy, certificate, declaration or binder covering one or more of the following perils:

Comprehensive

Fire, Theft, Windstorm, Combined Additional Coverage, Collision

Bodily Injury Liability, or

Property Damage Liability

Premium for other coverages which may also be included in the policy shall be in addition to the minimum annual premium.

The minimum annual premium charge is not subject to reduction except – in the event of cancellation or short term policy, the minimum annual premium charge shall be adjusted on a pro rata or short rate basis, as the conditions require.

8. POLICY PERIOD

- A.** No policy may be written for a period longer than 12 months for Liability Coverage or 48 months for Physical Damage Coverage.
- B.** Premium charged for policy terms not exceeding 12 months is as follows:
 1. Twelve Month Policies –
Charge the annual premium or minimum premium whichever applies.

2. Three and Six Month Policies –

- a. For a specified 3 or 6 month period the premium charge is 25% or 50% respectively, of the annual or minimum annual premium whichever applies.
- b. Policies issued for a 3 or 6 month period with an effective date on the 29th, 30th, and 31st of any month.

The first policy can be extended from the effective date to the first day of the calendar month following the expiration of the policy.

Premium for this extended coverage of 1 to 3 days may be waived.

3. Other Short Policies written for less than 12 months and other than 3 or 6 months.

Such policies shall be written short rate with premiums computed in accordance with the One Year Short Rate Table in the Cancellation Rule.

Exceptions:

The premium is computed Pro Rata:

1. When coverage is written to secure a common policy date with other coverages or lines of insurance.
 2. When a policy is issued on a short term basis to replace an outstanding policy of a company in liquidation, provided the new policy is based upon the rules and rates in effect at the time replacement is made and shall be in effect for a period equal to the unexpired term of the outstanding policy.
 3. When a statutory policy is required by a state or municipality to expire on a fixed date and the policy is written to expire on such date.
- C.** Long Term Physical Damage Policies written for a term in excess of 12 months – Determine premium as follows:
1. 1st 12 months:
Charge the first year premium or minimum premium, whichever applies.
 2. 2nd 12 months:
In addition to the above, charge the second year premium or minimum whichever applies.
If the term is more than 12 months but less than 24 months, charge pro rata of such second year premium or minimum whichever is larger for the period in excess of 12 months.

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8. POLICY PERIOD (Cont'd)

3. 3rd 12 months:

In addition to the premium for the 1st and 2nd 12 month periods, charge the third year premium or minimum premium whichever applies.

If the term is more than 24 months but less than 36 months charge the pro rata of such third year premium or minimum premium, whichever is larger, for the period in excess of 24 months.

4. 4th 12 months:

In addition to the premium for the 1st, 2nd and 3rd 12 month periods, charge the fourth year premium or minimum premium whichever applies.

If the term is more than 36 months but less than 48 months, charge pro rata of such fourth year premium or minimum premium, whichever is larger, for the period in excess of 36 months.

Note:

Calculation of the premium for the 2nd, 3rd and 4th 12 month periods, or pro rata part thereof shall recognize:

1. Any change in the model year of the insured auto, during a previous 12 month period;
2. Any change in sub-classification under the Safe Driver Insurance Plan.
3. A change in symbol assignment based on a review of loss experience.

9. CHANGES

- A.** If an auto or form of coverage is added during the term of a policy and the additional insurance is written to expire concurrently with the original insurance, the premium for such additional insurance shall be computed pro-rata, at the rates in effect at the time the addition is made.

If the policy has been written for less than one year on a short rate basis, the premium for the additional insurance shall be pro rata of the short rate charge for the policy period.

If an auto or a form of coverage that was cancelled from a policy at the request of the insured is reinstated within 30 days, the premium shall be the same as the amount that was returned at the time of cancellation.

PHYSICAL DAMAGE COVERAGES ONLY

- B.** If coverage is transferred during the policy term from one auto to another, the premium shall be computed pro rata on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.

LIABILITY COVERAGES ONLY

- C.** If coverage is transferred during the policy term from one auto to another, premium shall be computed pro rata on the basis of the rules and rates in effect at the inception of the policy.
- D.** If an auto is transferred from one rating territory to another or if an auto is temporarily transferred from one rating territory to another for a period of not less than 30 consecutive days, the premium for the balance of the policy period may be adjusted by endorsement at the time the change is made. The company shall charge on a pro rata basis the rate or rates for the territories in which the auto is garaged during the remainder of the policy period. The premium adjustment shall be made on the basis of the rates and rules in effect at the inception of the policy or at the time the change is made.
- E.** If the liability limits or deductible amounts are changed during the policy period, the premium adjustment for such change shall be made on the basis of the rates in effect at the inception date of the policy.
- F. Premium Adjustment**

1. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment of \$2 or less, the amount:
 - a. may be waived, or
 - b. may be made subject to a minimum of \$2.
except that the actual return premium shall be returned at the request of the insured.
2. Minimum premium of \$2 applies if an insured requests the following during the policy period.
 - a. additional coverage,
 - b. an increase in the limits of liability,
 - c. a reduced deductible.
3. Companies need not refund a return premium of less than \$2 if the insured requests the following:
 - a. cancellation of coverage,
 - b. reduction in limits of liability,
 - c. increase in deductible,except that the actual return premium shall be returned at the request of the insured.

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9. CHANGES (Cont'd)

4. If the limits of liability are increased because of a change in the limits prescribed under any financial responsibility law, the additional premium charge shall be the actual difference in premium charges. If \$2 or less, it may be charged or waived.
5. As respects A, B, C and D above, if an outstanding policy is amended and results in a premium adjustment
 - a. within 30 days prior to the expiration of a 6-month policy period, or
 - b. within 60 days prior to the expiration of a policy period longer than 6 months, companies need not charge or refund a premium, except that actual refunds shall be made at the request of the insured.

10. CANCELLATION

- A. Cancellation of a policy, vehicle or form of coverage:**
1. If the insured requests cancellation, compute return premium on a Short Rate Basis.

Exceptions

Compute return premium on a Pro Rata basis in the following cases:

1. If the insured has disposed of a vehicle then takes out a new policy in the same company on another vehicle, to become effective within thirty days of the date of cancellation.
2. If the insured vehicle is repossessed under terms of a financing agreement.
3. In a multi-car situation:
 - a. If one vehicle is cancelled from the policy and the policy remains in force on other vehicles, or
 - b. If a policy is cancelled but there remains in force with the same company and in the name of insured or spouse, if resident in the same household, a concurrent policy covering another vehicle.
4. If the insured enters the armed forces of the United States of America.

5. If the insured vehicle is stolen or destroyed (total or constructive loss) and cancellation is requested by the insured (a) within 30 days following the date the auto is stolen or destroyed, or (b) within 15 days of the time the auto was determined by the company (1) to be unrecoverable or stolen, or (2) to be a total or constructive loss. The return premium for all coverages (including the premium for the coverage under which the loss was paid) shall be calculated from the day following the date of the loss.
6. If an insured who has been ceded to the Reinsurance Facility at rates higher than the insurer's voluntary rates obtains insurance through another insurer who elects not to cede the policy to the Facility and the insured cancels the ceded policy within 45 days of the effective date of the ceded policy.

Exception:

This pro rata cancellation shall not apply to a cancellation by any insurance premium finance company.

2. If the company cancels, the return premium is computed pro rata.
3. If a policy written at short rate is cancelled, the earned premium for the time the policy has been in force shall be computed pro rata of the original short rate premium.
4. The following provisions apply to policies exceeding 12 months:
 - a. If a policy has been in force less than 1 year, the earned premium is computed in accordance with the provisions of this Rule for the first year's premium.
 - b. If a policy has been in force more than 12 months but less than 24 months, the earned premium shall be the first 12 months premium plus pro rata of the annual premium for the second 12 months.
 - c. If a policy has been in force for more than 24 months but less than 36 months, the earned premium shall be the first 24 months' premium plus pro rata of the annual premium for the third 12 months.
 - d. If a policy has been in force more than 36 months but less than 48 months, the earned premium shall be the first 36 months' premium plus pro rata of the annual premium for the fourth 12 months.

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10. CANCELLATION (Cont'd)

B. Instructions for Use of Short Rate Tables.

1. The "Three Month Short Rate Table" shall apply only to a policy written for a specified period of 3 months.
2. The "Six Month Short Rate Table" shall apply only to a policy written for a specified period of 6 months.
3. The "One Year Short Rate Table" shall apply to:
 - a. a policy written for a specified period of less than one year, other than a policy written for a specified period of 3 months or 6 months.
 - b. a policy written for a specified period of one year or more.

C. Instructions for Use of PRO RATA TABLES

1. Express the date of cancellation by year and decimal part of a year by combining the calendar year with the decimal appearing opposite the month and day in the Pro Rata Table, e.g. March 7, 1976 is designated as 1976.181.
2. In like manner, express the effective date of the policy year and decimal part of a year and subject from the cancellation date.
3. The difference in the case of 1 year policies, represents the percentage of the annual premium which is to be retained by the carrier.

4. For 6 Month Term Policies, the difference between cancellation date and effective date multiplied by two represents the percentage of the semi-annual term premium which is to be retained by the carrier.
5. For 3 Month Term Policies, the difference between cancellation date and effective date multiplied by four represents the percentage of the quarter-annual term premium which is to be retained by the carrier.

Example:

Cancellation date May 19, 1976.....	1976.381
Effective date March 2, 1976.....	<u>1976.167</u>
	.214

Earned premium for a 1 Year Term Policy will therefore be .214 times the annual premium.

For a 6 Month Term Policy: Multiply .214 by 2. (.214 x 2 = .428). Earned premium will be .428 times the semi-annual term premium.

For a 3 Month Term Policy: Multiply .214 by 4. (.214 x 4 = .856). Earned premium will be .856 times the quarter-annual term premium.

Note:

As it is not customary to charge for the extra day (February 29th) which occurs one year in every four years this table shall also be used for each such year.

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PRO RATA TABLE

January			February			March			April			May			June		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079				29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082				30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085				31	90	.247				31	151	.414			

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PRO RATA TABLE

July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666				31	304	.833				31	365	1.000

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

ONE YEAR SHORT RATE TABLE

Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium
1	5%	95 - 98	37%	219 - 223	69%
2	6	99 - 102	38	224 - 228	70
3 - 4	7	103 - 105	39	229 - 232	71
5 - 6	8	106 - 109	40	233 - 237	72
7 - 8	9	110 - 113	41	238 - 241	73
9 - 10	10	114 - 116	42	242 - 246	74
11 - 12	11	117 - 120	43	247 - 250	75
13 - 14	12	121 - 124	44	251 - 255	76
15 - 16	13	125 - 127	45	256 - 260	77
17 - 18	14	128 - 131	46	261 - 264	78
19 - 20	15	132 - 135	47	265 - 269	79
21 - 22	16	136 - 138	48	270 - 273	80
23 - 25	17	139 - 142	49	274 - 278	81
26 - 29	18	143 - 146	50	279 - 282	82
30 - 32	19	147 - 149	51	283 - 287	83
33 - 36	20	150 - 153	52	288 - 291	84
37 - 40	21	154 - 156	53	292 - 296	85
41 - 43	22	157 - 160	54	297 - 301	86
44 - 47	23	161 - 164	55	302 - 305	87
48 - 51	24	165 - 167	56	306 - 310	88
52 - 54	25	168 - 171	57	311 - 314	89
55 - 58	26	172 - 175	58	315 - 319	90
59 - 62	27	176 - 178	59	320 - 323	91
63 - 65	28	179 - 182	60	324 - 328	92
66 - 69	29	183 - 187	61	329 - 332	93
70 - 73	30	188 - 191	62	333 - 337	94
74 - 76	31	192 - 196	63	338 - 342	95
77 - 80	32	197 - 200	64	343 - 346	96
81 - 83	33	201 - 205	65	347 - 351	97
84 - 87	34	206 - 209	66	352 - 355	98
88 - 91	35	210 - 214	67	356 - 360	99
92 - 94	36	215 - 218	68	361 - 365	100

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THREE MONTH SHORT RATE TABLE

Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium	Days Policy in Force	Per Cent of 3 Mos. Premium
1	6%	28	41%	58	71%
2	7	29	42	59	73
3	9	30	43	60 - 61	74
4	12	31	44	62	75
5	16	32	46	63	76
6	17	33	47	64	77
7	18	34	48	65 - 66	78
8	19	35	49	67	79
9	20	36	50	68	81
10	21	37	51	69 - 70	82
11	22	38	52	71	83
12	23	39	53	72	84
13	24	40	54	73	85
14	26	41	56	74 - 75	86
15	27	42	57	76	87
16	28	43	58	77	89
17	29	44	59	78 - 79	90
18	30	45	60	80	91
19	31	46	61	81	92
20	32	47 - 48	62	82	93
21	33	49	63	83 - 84	94
22	34	50	65	85	95
23	36	51 - 52	66	86	97
24	37	53	67	87 - 88	98
25	38	54	68	89	99
26	39	55	69	90 - 92	100
27	40	56 - 57	70		

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SIX MONTH SHORT RATE TABLE

Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium	Days Policy in Force	Per Cent of 6 Mos. Premium
1	6%	50 - 51	38%	112 - 114	70%
2	7	52	39	115 - 116	71
3	8	53 - 54	40	117 - 118	72
4	9	55 - 56	41	119 - 120	73
5	10	57 - 58	42	121 - 123	74
6	11	59 - 60	43	124 - 125	75
7	12	61 - 62	44	126 - 127	76
8	13	63	45	128 - 130	77
9	14	64 - 65	46	131 - 132	78
10	15	66 - 67	47	133 - 134	79
11	16	68 - 69	48	135 - 136	80
12	17	70 - 71	49	137 - 139	81
13 - 14	18	72 - 73	50	140 - 141	82
15 - 16	19	74	51	142 - 143	83
17 - 18	20	75 - 76	52	144 - 145	84
19 - 20	21	77 - 78	53	146 - 148	85
21	22	79 - 80	54	149 - 150	86
22 - 23	23	81 - 82	55	151 - 152	87
24 - 25	24	83	56	153 - 155	88
26 - 27	25	84 - 85	57	156 - 157	89
28 - 29	26	86 - 87	58	158 - 159	90
30 - 31	27	88 - 89	59	160 - 161	91
32	28	90 - 91	60	162 - 164	92
33 - 34	29	92 - 93	61	165 - 166	93
35 - 36	30	94 - 95	62	167 - 168	94
37 - 38	31	96 - 98	63	169 - 171	95
39 - 40	32	99 - 100	64	172 - 173	96
41	33	101 - 102	65	174 - 175	97
42 - 43	34	103 - 104	66	176 - 177	98
44 - 45	35	105 - 107	67	178 - 180	99
46 - 47	36	108 - 109	68	181 - 184	100
48 - 49	37	110 - 111	69		

11. WHOLE DOLLAR PREMIUM

This rule applies only to Fire, Theft, Combined Additional Coverage, Comprehensive and Collision coverages.

The premium for each exposure shall be rounded to the nearest whole dollar, separately for each coverage provided by the policy.

A premium involving \$.50 or more shall be rounded to the next higher whole dollar.

This procedure shall apply to all interim premium adjustments, including endorsements or cancellations at the request of the insured. In the case of cancellations by the company, the return premium may be carried to the next higher whole dollar.

The phrase "each exposure" as used herein shall mean each premium developed (after the application of all applicable adjustments) for (1) each auto, if written on a per car basis, and (2) for all other business.

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES

A. Other Than Collision

1. 1990 and Subsequent Model Year Vehicles

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
1	01	0.72
19	19	4.46
20	20	4.94
21	21	5.49
22	22	6.19
23	23	6.93
24	24	8.03
25	25	9.88
26	26	12.13
27	27	+

+ Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +2.00 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior* Model Years
1	01	0.28
2	02	0.34
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.84
15	15	3.56
16	16	4.34
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
21	21	12.13

1982 and Prior Model Years

Deleted: *

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 3.19 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

B. Collision

1. 1990 and Subsequent Model Year Vehicles

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
1	01	0.88
19	19	2.43
20	20	2.51
21	21	2.64
22	22	2.75
23	23	2.86
24	24	2.99
25	25	3.23
26	26	3.50
27	27	+

+ Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +.15 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES (Cont'd)

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior ² Model Years
1	01	0.42
2	02	0.50
3	03	0.63
4	04	0.71
5	05	0.83
6	06	0.92
15	15	2.17
16	16	2.38
17	17	2.54
18	18	2.75
19	19	2.92
20	20	3.08
21	21	3.50

▼ 1982 and Prior Model Years

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 2.29 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

C. Original Cost means:

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.

13. SUSPENSION

- A. Under any policy providing just Physical Damage Coverage, only Collision may be suspended.
- B. Liability Coverages may not be suspended for risks for which a financial responsibility filing is in effect.
- C. Insurance may be suspended by endorsement in accordance with the following provisions provided the period of suspension is at least thirty (30) consecutive days.
 1. Insurance may be reinstated upon the named insured's request effective not earlier than receipt of such request by the company or any of its authorized representatives.
 2. The reinstatement endorsement shall not extend the policy beyond its original expiration date.

LIABILITY AND COLLISION COVERAGES ONLY

3. Pro rata premium credit for the period of suspension shall be granted upon reinstatement subject to a minimum retention by the company of sixty days premium calculated on a short rate basis. The minimum premium retention by the company shall not apply to suspensions under Section F. of this rule.
4. If the policy expires during the period of suspension, the named insured shall be entitled to a pro rata return premium in accordance with the foregoing provisions of this rule.
5. If a policy written for less than one year is suspended but subsequently reinstated and extended for the remainder of such year, or any part thereof, or if such policy expires during the suspension period, pro rata premium credit shall be granted for the period of suspension in accordance with the foregoing provisions of the Policy Period Rule for extension of a short term policy.
- D. If collision or liability coverages are suspended on **all** owned autos, coverage for which separate premiums apply – including Uninsured Motorists Coverage, Underinsured Motorists Coverage, auto death indemnity, total disability, and specific disability benefits coverage, medical payments coverage, non-owned auto or extended liability coverage provided under the use of other autos provisions – may be continued in force without premium adjustment for these coverages.

Deleted: *

13. SUSPENSION (Cont'd)

- E. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage for liability only, afforded without separate premium charge may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- F. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike, may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (C) provided the insured furnishes the company with a letter requesting the return premium. The letter shall be written on the insured's letterhead, signed by an executive of the company and shall include the following:
 1. A description of each auto.
 2. The dates between which it was laid up because of the strike.
 3. A statement by the insured that he agrees to reimburse the company for any payment made by the company on account of any accident, claim or suit involving a coverage for an auto described in the letter for which return premium has been allowed by the company.

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. Owners – (Class Code – Refer to Statistical Plan)
 Bodily Injury and Property Damage Uninsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

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

- Elected to purchase Combined Uninsured/Underinsured Motorists Coverage; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate – Single Vehicle* Policy	\$17
Multi-Vehicle* Policy	\$40

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

b. Increased Limits

Increased limits of Uninsured Motorists Coverage may be afforded. Property Damage limits may not exceed the Property Damage Liability limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ 15	\$ 35
50/100	16	38
100/200	18	42
100/300	19	45
300/300	22	52
250/500	24	57
500/500	25	59
500/1,000	27	64
1,000/1,000	28	66

P.D. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

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

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

14. MISCELLANEOUS COVERAGES (Cont'd)

c. Additional Persons

Bodily Injury Uninsured Motorists Coverage Only may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non-Owners – (Class Code 990000)

a. A Named Non-Owner Liability Policy may be extended to provide Uninsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

b. Bodily Injury Uninsured Motorists Coverage Only may be afforded to any person who does not own an auto and who is not otherwise afforded Uninsured Motorists Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

Policy Term	Factor
One Year	3.50
Three Years	5.50

B.1. Combined Uninsured/Underinsured Motorists Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

Combined Uninsured/Underinsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

This coverage shall not apply when a named insured has:

- Purchased a policy with Bodily Injury limits not greater than \$30,000/\$60,000; or
- Specifically rejected this coverage in writing and elected to purchase Uninsured Motorists Coverage ONLY; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Limits

Combined Uninsured/Underinsured Motorists Coverage limits are available only at Bodily Injury limits higher than \$30,000/60,000 and with Property Damage limits at \$25,000 or with a limit not to exceed the Property Damage Liability limit afforded by the policy. The Property Damage coverage applies only on an Uninsured Motorists basis and is subject to an exclusion of the first \$100 of damage.

Refer to Uninsured Motorists Coverage ONLY for \$30/60/25 limits.

b. Rates

Combined Uninsured/Underinsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 21	\$ 50
100/200	36	84
100/300	44	104
300/300	60	142
250/500	71	168
500/500	97	229
500/1,000	109	258
1,000/1,000	123	290

P.D. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

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

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

2. Non-Owners – (Class Code 990000)

A Named Non-Owner Liability Policy may be extended to provide Combined Uninsured and Underinsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

Attach the applicable endorsement.

B.2. Alternative Economic Loss Coverage

An insurer may, at its option, make available Alternative Economic Loss Coverage to cover economic loss only. Coverage is **not** provided for non-economic loss.

Economic loss consists of medical care, compensation for lost earnings and replacement services, and payment of a death benefit when bodily injury results from an automobile accident caused by an uninsured or underinsured motorist.

If made available by the insurer, Alternative Economic Loss Coverage may only be made available on policies where both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverage have been rejected in writing.

Alternative Economic Loss Coverage may be made available at the following limits with rates per policy shown:

	B.I. Limits	
	Single Car Policy	Multi-Car Policy
\$ 30/60	\$ 5	\$ 12
50/100	9	21
100/200	15	36
100/300	18	43
300/300	25	59
250/500	31	74
500/500	39	92
500/1,000	46	108
1,000/1,000	50	118

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

\$ 25 Deduct. (071)	– Charge 150% of the \$50 Deduct. Collision Premium
\$ 50 Deduct. (072)	– Charge 102% of the \$100 Deduct. Collision Premium
\$ 200 Deduct. (073)	– Charge 97% of the \$100 Deduct. Collision Premium
\$ 250 Deduct. (076)	– Charge 95% of the \$100 Deduct. Collision Premium
\$ 500 Deduct. (077)	– Charge 88% of the \$100 Deduct. Collision Premium

\$ \$1,000 Deduct. (078) – Charge 77% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

\$ 50 Deduct. (003)	– Charge 95% of the Full Coverage Comprehensive Premium
\$ 100 Deduct. (010)	– Charge 90% of the Full Coverage Comprehensive Premium
\$ 250 Deduct. (055)	– Charge 77% of the Full Coverage Comprehensive Premium
\$ 500 Deduct. (726)	– Charge 60% of the Full Coverage Comprehensive Premium
\$ 1,000 Deduct. (727)	– Charge 50% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

D. Extended Transportation Expenses Coverage

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$10
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$20
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$32

3. Endorsement

Attach the extended transportation expenses coverage endorsement to the policy.

E. Towing and Labor Costs

1. This coverage may be written only for Private Passenger Autos.

2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$2
50	4
100	6
None (subject to coverage provisions)	13

3. Attach applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

F. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment

1. Coverage

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

2. Rating

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

G. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates

1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.

2. Annual rates per person insured:

- a. Coverage **A** – Auto Death Indemnity or Benefit (Class Code 904000)

Principal Sum	Annual Rate
\$ 5,000	\$2
10,000	4

14. MISCELLANEOUS COVERAGES (Cont'd)

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits

Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$25	\$3
35	3
50	6

- d. Coverage D – Total Disability Benefits – Maximum 200 weeks. (Class Code 905000)

Weekly Indemnity	Annual Rate
\$25	\$2
35	3
50	5

- 3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

H. Repair or Replacement Coverages

1. Five Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.
- b. Repair or Replacement Coverage is available:
 - (1) Only for autos purchased new.
 - (2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.
 - (3) Only if this coverage is maintained continuously on the auto.
 - (4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.
 - (5) Only if the collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 15% of the combined collision and other than collision premiums.

- d. Attach Endorsement **NC 03 11**.

2. One Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.
- b. Replacement Cost Coverage is available:
 - (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
 - (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
 - (3) Only if this coverage is maintained continuously on the auto.
 - (4) Only if collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 10% of the combined collision and other than collision premiums.

- d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

- e. Attach Endorsement **NC 03 12**.

I. Coverage for Rented Vehicles

- 1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.
- 2. Rating
 - a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.
 - b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.
 - c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.
- 3. Cancellation

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

14. MISCELLANEOUS COVERAGES (Cont'd)

J. Original Equipment Manufacturer (OEM) Parts Loss Settlement

1. Coverage

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

- a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.

If OEM parts are not available, non-OEM parts may be used.

- b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

2. Rating

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

3. Endorsement

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

K. Coverage For Damage To Your Auto – Customizing Equipment Coverage

1. Coverage

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;
- c. Height extending roofs or ladders;
- d. Custom windows, murals, paintings or other decals or graphics;
- e. Tool boxes and fifth wheel conversions;
- f. Side exhausts and headers;
- g. Winches and roll bars;
- h. Special wheels/tires; or

- i. Body or suspension alterations.

Note

The optional coverage buybacks for customized furnishings or equipment that are described in 2. below do not apply to the following:

- Camper bodies (refer to Rule 19.A.); and
- Caps, covers or bedliners.

2. Rating

- a. The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

- b. The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 70
3,000	120
4,000	170
5,000	210
6,000	240
7,000	270
8,000	300
9,000	320
10,000	340
11,000	360
12,000	380
13,000	400
14,000	420
15,000	440
16,000	460
17,000	480
18,000	500
19,000	520
20,000	540

For limits in excess of \$20,000, charge \$20 per \$1000 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS

For risks not eligible for rating under the Safe Driver Insurance Plan, a surcharge of 35% shall be applied in addition to the surcharge of 50%, 25% or 5% applicable under this Rule.

15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS (Cont'd)

For risks rated under the Safe Driver Insurance Plan, the additional charge for each risk shall be \$4 for the period of coverage. The \$4 charge shall not be subject to modification under the provisions of any rating plan or other manual rate.

A. Surcharges

1. Surcharges apply to Liability coverages only.
2. The appropriate charges shown below shall be applied to the final premium for the affected coverages for the period of time the certificate is required but not more than three years (after 3 years of 5% surcharge applies) as follows:
 - a. 50% for driving a motor vehicle while intoxicated, or failing to stop and report when involved in an accident, or homicide or assault arising out of the operation of a motor vehicle.
 - b. 25% for driving a motor vehicle at an excessive rate of speed or in a reckless manner, where an injury to person or damage to property actually results therefrom.
 - c. 5% for any reason requiring filing.

B. Owners

1. If an owner is required to file evidence of financial responsibility for owned autos and for the operation of autos which he does not own, the additional premium shall be computed by applying the proper surcharge to the sum of the premium for the highest rated auto owned by the insured and the total nonownership liability premium, modified in accordance with any applicable rating plan.
2. In all other cases, the additional premium shall be computed by applying the proper surcharge to the premium for the highest rated auto owned by the insured modified in accordance with any applicable rating plan.

C. Non-Owners

1. If a policy is written to insure a named individual, the additional premium shall be computed by applying the proper surcharge to the premium for the policy.
2. If coverage is provided under a policy which has been extended to cover a named individual in accordance with Rule 17. – Extended Non-Owned Liability Coverage, the additional premium shall be computed by applying the proper surcharge to:
 - a. The rates for the highest rated auto insured under the policy for the rating territory in which the named individual is located, or
 - b. If there is no auto at such location, 170% of the private passenger Base Rates for the territory in which the named individual is located.

16. NAMED NON-OWNER POLICY

(For individuals who do not own an auto)

- A. Liability and Medical Payments Coverage**
Charge 90% of the premium that would apply if such individual owned an auto.
- B. Uninsured Motorists Insurance and Underinsured Motorists Insurance**
Refer to Rule 14.
- C. Attach the named non-owner coverage endorsement.**

17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY)

A. Liability Coverage

Liability coverage may be extended to an individual described below:

1. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use but is NOT employed by a garage:
 - a. When no Primary Liability insurance is in effect on the auto, charge 50% of the liability premium which would apply if the furnished auto were being specifically insured as an owned auto by the individual.
 - b. When there is Primary Liability insurance in effect on the auto or if the auto is used in the business of the United States Government, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

2. The insured named in the policy, including the spouse if a resident of the same household, or a resident relative who is furnished an auto for regular use and is employed by a garage:
 - a. When garage has no liability insurance charge 170% of Base Rate for Liability
 - b. When garage has liability insurance, refer to Company.
3. In all other situations, charge the premiums per person shown in the table below:

Person Named	Bodily Injury \$30/60	Property Damage \$25,000
Insured Named and Spouse	\$3	\$1
Relative	6	2

17. EXTENDED NON-OWNED LIABILITY COVERAGE (PERSONAL AUTO POLICY ONLY) (Cont'd)

B. Medical Payments

Medical Payments coverage is available only if Bodily Injury and Property Damage coverages are extended. Medical Payments shall be provided at the same limits as the Medical Payments limit of policy to which attached. Premiums per person are displayed below.

Medical Payments Limits of Policy to Which Attached	Auto Furnished for Regular Use	Auto Not Furnished For Regular Use
\$ 500	\$ 4	\$ 2

Use the factors in Rule 18.D. to determine premiums for Medical Payments limits above \$500.

18. INCREASED LIMITS

A. The tables in Sections B. and C. below contain the factors to be applied to the appropriate basic limits rates for Bodily Injury or Property Damage Liability.

Refer to company for limits not displayed in these tables.

B. 30/60 Split Limit Bodily Injury Liability Increased Limits Table

Applicable to 30/60 Split Limit Bodily Injury Liability Rates Only:

Total Limits	Factor
\$ 30/60	1.00
50/100	1.15
100/100	1.27
100/200	1.33
100/300	1.35
300/300	1.54
250/500	1.57
500/1,000	1.73
1,000/1,000	1.83
1,000/2,000	1.88

C. \$25,000 Property Damage Liability Increased Limits Table

Applicable to \$25,000 Property Damage Liability Rates Only:

Limit	Factor	Limit	Factor
25,000	1.000	250,000	1.059
35,000	1.005	500,000	1.113
50,000	1.010	750,000	1.153
100,000	1.030	1,000,000	1.202

D. Medical Payments Increased Limits

Applicable to \$500 Medical Payments Rates Only:

Total Medical Payments Limits	Factor
\$ 750	1.33
1,000	1.60
2,000	2.34
5,000	3.38
10,000	3.86
25,000	4.53
50,000	5.13
75,000	5.39
100,000	5.50

E. Single Limit Coverages

The premium for single limit liability coverages shall be calculated as follows:

1. Apply a single discount of 3% to both the Bodily Injury and the Property Damage normal factors for separate limits equal to the desired single limit.
2. Calculate the separate Bodily Injury and Property Damage premiums, the sum of which is the combined premium.

19. MISCELLANEOUS TYPES

A. Trailers Designed for Use with Private Passenger Autos

Coverage may be provided for:

1. Recreational Trailers

Non-self-propelled units equipped as living quarters (including cooking, dining, plumbing or refrigeration facilities).

To be eligible for coverage, insured must maintain a separate and permanent residence other than the recreational trailer.

Note

1. Camper trailers shall be rated as Recreational Trailers.
2. A portable camper body used with a pickup truck shall be rated as a Recreational Trailer. The pickup truck shall be rated in accordance with Rule 4.F.

19. MISCELLANEOUS TYPES (Cont'd)

2. Other Trailers

All non-self-propelled units not included above.

Liability and Medical Payments Coverages

A Personal Auto Policy affording Liability and Medical Payments Coverage also covers trailers as described above for these coverages without additional premium charge and without specific description of the trailers when used with a private passenger auto.

Other Policies affording Liability and Medical Payments Coverage will also provide this coverage for trailers without additional premium charge and without specific description of the trailer except when the trailer is used with any auto owned or hired by the insured and not covered by like insurance in the company.

Refer to company for rates applicable to a trailer described above if:

1. Used with any auto owned or hired by the insured and not covered by like insurance in the company, or
2. No auto is owned by the insured.

Medical Payments Insurance

Medical payments insurance is available for a home trailer, office trailer, store trailer or display trailer, if used with a private passenger auto.

The rate shall be three times the medical payments rate for the applicable private passenger classification for the territory in which the risk is located.

Farm Wagons and Farm Implements:

Coverage is afforded without additional charge for farm wagons or farm implements when attached to private passenger type autos.

Physical Damage Coverages Only

Trailers are to be insured as separate items with separate premiums shown for each unit. If deductible coverage is written, the deductible shall apply separately to each unit.

1. Recreational Trailers – All Classes – Entire State

a. Contents

- (1) Auto Home Contents Coverage for Fire and Lightning and Combined Additional Coverage (including or excluding malicious mischief and vandalism) may be added.

Fire – Charge fire rate applicable to Mobilehome Insured.

Combined Additional Coverage Including Malicious Mischief and Vandalism – 25 cents per \$100.

Combined Additional Coverage Excluding Malicious Mischief and Vandalism – 20 cents per \$100.

Apply to company for endorsement.

- (2) Auto Home Coverage for TV antennas, awnings, and cabanas or equipment designed to create additional living facilities may be added.

Covered Property Coverage – \$50 Deductible – (Coverage Code 069) Charge \$1.45.

Coverage Property Coverage – \$100 Deductible – (Coverage Code 069) Charge \$1.15.

Attach Applicable Endorsement.

- b. Fire Rate – (new & old) – \$0.45
- c. Theft Rate – (new & old) – \$0.10
- d. Windstorm Rate – (new & old) – \$0.05
- e. Combined Additional Coverage without Malicious Mischief and Vandalism Rate – (new & old) – \$0.10
- f. Combined Additional Coverage with Malicious Mischief and Vandalism Rate – (new & old) – \$0.15
- g. Comprehensive

Full Coverage	(Cov. Code 01)	– \$1.45
\$ 50 Deductible	(Cov. Code 03)	– 1.25
\$ 100 Deductible	(Cov. Code 10)	– 1.10
\$ 250 Deductible	(Cov. Code 055)	– 0.95
\$ 500 Deductible	(Cov. Code 726)	– 0.75
\$1,000 Deductible	(Cov. Code 727)	– 0.50

19. MISCELLANEOUS TYPES (Cont'd)

h. Collision Premiums – All Classes – Entire State

Original Cost	Deductibles											
	\$50		\$100		\$200		\$250		\$500		\$1000	
	New	Old	New	Old	New	Old	New	Old	New	Old	New	Old
0 – 600	\$ 24	\$ 19	\$ 10	\$ 8	\$ 9	\$ 7	\$ 7	\$ 6	\$ 6	\$ 5	\$ 5	\$ 4
601 – 800	26	21	12	9	11	9	8	6	7	6	6	5
801 – 1,050	29	23	13	10	12	10	9	7	8	6	7	6
1,051 – 1,300	31	25	15	12	14	11	10	8	9	7	8	6
1,301 – 1,600	34	27	18	14	16	13	13	10	11	9	9	7
1,601 – 1,900	37	30	20	16	18	14	15	12	12	10	10	8
1,901 – 2,400	42	34	23	18	21	17	18	14	14	11	12	10
2,401 – 3,000	47	38	28	22	25	20	21	17	17	14	14	11
3,001 – 4,000	56	45	34	27	31	25	25	20	20	16	17	14
4,001 – 5,000	66	53	42	34	38	30	30	24	25	20	21	17
5,001 – 6,000	77	62	50	40	45	36	35	28	30	24	25	20
6,001 – 7,000	87	70	58	46	52	42	41	33	35	28	29	23
7,001 – 8,000	98	78	66	53	59	47	46	37	40	32	33	26
8,001 – 9,000	108	86	74	59	67	54	52	42	44	35	37	30
9,001 – 10,000	119	95	82	66	74	59	57	46	49	39	41	33

(1) "New" means purchased new not more than 18 months prior to date insurance attaches.

"Old" – All Others

(2) For Recreational Trailers having a cost exceeding \$10,000, the indicated premiums for the \$9,001 to \$10,000 group shall be increased 10% per \$1,000 or fractions thereof in excess of \$10,000.

(3) The premiums shown above are subject to a retained Minimum Premium equal to 25% of the annual premium applicable.

2. All Other Trailers – All Classes – Entire State

All Non-Self-Propelled Units Not Included in Paragraph 1. Above.

Rates Per \$100 of Insurance

Coverage	Rates
Fire	\$0.10
Theft	0.05
Windstorm	0.05
Combined Additional Coverage without Malicious Mischief & Vandalism	0.10
Combined Additional Coverage with Malicious Mischief & Vandalism	0.15
Comprehensive – Full Coverage – (Cov. Code 01)	0.55
Comprehensive – \$50 Deductible – (Cov. Code 03)	0.37

COLLISION PREMIUMS – ALL CLASSES – ENTIRE STATE

Original Cost New at Factory	\$25 Deduct.	\$50 Deduct.	\$100 Deduct.
\$ 0 – \$ 400	\$ 7	\$ 4	\$ 3
401 – 600	9	6	5
601 – 800	12	8	6
801 – 1,000	15	10	8
1,001 – 1,500	23	15	12
1,501 – 2,000	29	19	15
2,001 – 2,500	35	23	18
2,501 – 3,000	41	27	22
Each Additional \$500 Over \$3,000	5	4	3

19. MISCELLANEOUS TYPES (Cont'd)

B. Motorcycles, Motorscooters, Motorbikes, Mopeds and Other Similar Motor Vehicles Not Used for Commercial Purposes

Liability Coverages Only

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage and medical payments* rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage	Medical Payments*
0 - 499	0.17	0.38
500 - 1249	0.27	0.38
1250 - 1499	0.37	0.38
1500 - up	0.49	0.38

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

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage
0 - 499	0.16
500 - 1249	0.26
1250 - 1499	0.36
1500 - up	0.47

Physical Damage Coverages Only

All Motorcycles and Motorscooters with three wheel chassis shall be rated as Commercial Types. Motorcycles with side-car attachment used for transportation or delivery of goods or merchandise shall be rated as Commercial Types.

	MOTOR-CYCLES (Except COMMERCIAL TYPES)	MOTOR-SCOOTERS (Except COMMERCIAL TYPES)	COMMERCIAL TYPES (Motorcycles and Motorscooters)
RATES PER \$100 OF INSURANCE			
Fire Rates -	\$.50	\$.50	\$.50
Theft Rates -	1.14	.88	.50

Combined Additional Coverage without Malicious Mischief & Vandalism - 17 cents per \$100 of insurance.

Combined Additional Coverage with Malicious Mischief & Vandalism - 22 cents per \$100 of insurance.

Collision - MOTORCYCLES AND MOTORSCOOTERS (Except Commercial Types):

1989 and Prior Model Years

Charge the following Percentages of the Symbol 7 Private Passenger Collision Rate for the applicable model year:

1990 and Subsequent Model Years

Charge the following Percentages of the Symbol 2 Private Passenger Collision Rate for the applicable model year:

Engine Size Cubic Centimeters (cc)	Percentage
0 - 100	29%
101 - 200	48%
201 - 300	66%
301 - 450	106%
451 - 600	115%
601 - 750	161%
751 - 900	220%
901 - 1,000	286%
Over 1,000	353%

Collision - COMMERCIAL TYPES (Motorcycles and Motorscooters):

Charge 75% of the Collision premiums for symbols determined in accordance with the table above.

Note

The Classification and Sub-Classification Rating Plans are applicable in rating all vehicles under this rule for all coverages. (See Rule 4. and Rule 5.)

C. SNOWMOBILES and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

Liability Coverages Only

(Class Code 967000) - Excluding Passenger Hazard

(Class Code 959000) - Including Passenger Hazard

1. Bodily Injury (excluding the passenger hazard) - \$20, \$30,000/60,000 limits.
Bodily Injury (including the passenger hazard) - \$60, \$30,000/60,000 limits.
2. Property Damage - \$10, \$25,000 limits
3. Medical Payments - \$10, \$500 per person (no other limits).
4. Uninsured Motorists Coverage
Charge rates shown in Rule 14.
5. All rates apply for the period of coverage.
6. The applicable endorsement shall be attached to the policy.

19. MISCELLANEOUS TYPES (Cont'd)

Physical Damage Coverages Only
(Class Code 959000)

- 7. Comprehensive
\$100 Deductible – \$2.00 per \$100.
- 8. Collision
\$100 Deductible – \$2.00 per \$100.

Note

- a. Only Stated Amount Coverage is available.
 - b. A snowmobile and trailer designed to be towed by the snowmobile shall be considered one unit for determining the deductible amount to any loss, provided said trailer is described in the schedule on the endorsement.
9. The applicable endorsement shall be attached to the policy.
10. All rates apply for the period of coverage.

D. Golfmobiles

Vehicles commonly known as Golfmobiles, used principally off public roads, not used for commercial purposes, with capacity to carry one or more persons.

Note

Vehicles of this type not meeting the above qualifications, rate as a motorcycle.

Liability Coverages Only

- 1. Charge 25% of the applicable private passenger Base Premiums. (Class Code 943500)
- 2. All rates apply for the period of coverage.

Physical Damage Coverages Only

Fire – \$.60 per \$100 of Insurance.
Theft – \$.20 per \$100 of Insurance.

Collision –

Original Cost New	\$25 Ded.	\$50 Ded.	\$100 Ded.
\$ 0 – 750	\$16	\$10	\$ 8
751 & Over	24	15	10

E. Antique Autos

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

Liability Coverages Only

Charge 40% of the private passenger base premiums. (Class Code 962000)

Physical Damage Coverages Only

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000).

Rate Per \$100 of Insurance

Deductible	Comprehensive	Collision	Fire	Theft
\$ 50	\$1.25	\$1.50	\$.35	\$.35
100	1.10	1.25	.31	.31
250	.96	1.00	.27	.27
500	.74	.75	.21	.21

F. Classic Autos

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

Liability, Medical Payments, Uninsured and Underinsured Motorists

Classify and rate as a private passenger auto.

Physical Damage

Attach the coverage for damage to your auto (stated amount maximum limit of liability) endorsement.

- 1. Determine the stated amount of coverage applicable to the vehicle.
- 2. Assign a symbol based on the stated amount, from the table for 1990 and subsequent model years on Page 1. of the Symbol and Identification Section.

Note

Prior to October 1, 1989, the table for 1981-1989 model years in the Symbol and Identification Section should be used for symbol assignment.

- 3. Classify and rate as a private passenger auto using the base rate for the current model year.

20. FINANCED AUTOS

Financed autos shall be written at manual rates and minimum charges except for single interest coverages.

For single interest rates, rules and forms, refer to company.

21. STATE RATE, TERRITORY SHEETS

- A. The state rate sheets show rates by territory.
- B. The territory sheets contain the definitions of the territorial divisions into which the state is divided and show for each territory the statistical code and the number of the rate schedule on the state rate sheets to be used.
 - 1. Each territory as defined embraces a certain area, usually a city and its surroundings. In many cases the area so defined includes several smaller cities, towns, and villages. The following provisions are applicable in this connection:
 - a. Any city, town, or village not specifically mentioned as included within a defined territory but which is inside of the boundary of the area so defined, shall take the territory schedule for that defined territory.
 - b. If a city, town, or village extends into more than one defined territory, the territory schedule for the higher rated territory applies to the entire city, town, or village.
 - c. Unless otherwise indicated, if a street, avenue or other public way serves as a dividing line between two territories, except when the public way serves as a boundary line of any political subdivision (state, county, township, city, town, village, etc.), the rates applicable to the lower rated of the two territories shall apply to autos principally garaged on either side of such street or avenue.
 - 2. The territory sheets also contain a list of Important Cities and Towns in a state indicating the counties in which such towns are located and the territories to which they are assigned. The rate territory for a town not listed should be determined as follows:
 - a. Ascertain the county in which the town is located.
 - b. If the name of the county is included in the list of territory definitions for the state as divided into two or more rate territories, it will be necessary to refer to a map to determine in which of the rate territories the town belongs.
 - c. If the county is not so listed, then the entire county and all towns in it take the rates for the Remainder of State schedule.

22. INSTALLMENT PAYMENTS

The total premium for an auto policy is due and payable at the beginning of the policy period, unless the policy is issued on an installment payment basis in accordance with the following rules:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. An additional charge of \$3.00 shall be made for each installment.
- C. The premium paid to the company exclusive of the total installment payment charge shall never be less than the pro rata charge from the effective date of the policy to the due date of the next installment, where additional installments are to be paid, or to expiration of the policy where no further installments are due.
- D. Flat cancellation shall be accepted on business written on an installment basis only if there has been no coverage under the policy and the policy is returned to the company within thirty days. In all other cases, a pro rata earned premium shall be due to the company.
- E. This rule does not preclude the use of an installment payment plan which provides for deferring the due date of installment if the insurance is under suspension on the original due date.

23. EXCESS INDEMNITY POLICY

Bodily injury and property damage liability limits over primary limits may be afforded under an Excess Indemnity Policy with respect to an automobile classified and rated as a private passenger automobile. Primary insurance must be in force with respect to the automobile and the risk unable to obtain higher limits. If the company providing the excess limits coverage also provides the primary coverage to a risk, a letter of consent, signed by the insured, shall be secured and retained in the company's files. Refer to company for rating.

Bodily injury and property damage excess limits may be afforded separately or in conjunction with Medical Payments Insurance, Medical Payments Coverage is available on a \$100 deductible basis only. Refer to company for rating.

**PERSONAL AUTO MANUAL
RATE PAGES**

NORTH CAROLINA (32)

VOLUNTARY BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	300/300	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	1	4	5	6	1	2	3	4	6
11	\$136	\$156	\$184	\$209	\$159	\$161	\$164	\$16	\$21	\$26	\$37	\$54
13	202	232	273	311	194	196	200	24	32	38	56	81
14	189	217	255	291	187	189	193	22	29	35	51	74
15	206	237	278	317	185	187	191	24	32	38	56	81
16	175	201	236	270	188	190	194	21	28	34	49	71
17	215	247	290	331	191	193	197	25	33	40	59	85
18	163	187	220	251	167	169	172	19	25	30	44	64
24	151	174	204	233	148	149	152	18	24	29	42	61
25	191	220	258	294	176	178	181	22	29	35	51	74
26	246	283	332	379	160	162	165	29	39	46	68	98
31	192	221	259	296	168	170	173	23	31	37	54	78
32	155	178	209	239	157	159	162	18	24	29	42	61
33	192	221	259	296	144	145	148	23	31	37	54	78
40	236	271	319	363	194	196	200	28	37	45	66	95
41	196	225	265	302	177	179	182	23	31	37	54	78
43	189	217	255	291	151	153	156	22	29	35	51	74
47	188	216	254	290	150	152	155	22	29	35	51	74
51	153	176	207	236	178	180	183	18	24	29	42	61
52	206	237	278	317	198	200	204	24	32	38	56	81

* Including "clean risks" ceded to the North Carolina Reinsurance Facility.
See Premium Determination Rule for the definition of "clean risks".

CEDED BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	\$25,000	\$50,000	\$100,000	\$500	\$750	\$1,000	\$2,000	\$5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	7	4	5	6	1	2	3	4	6
11	\$177	\$204	\$239	\$278	\$190	\$192	\$196	\$20	\$27	\$32	\$47	\$ 68
13	264	304	356	414	227	229	234	30	40	48	70	101
14	247	284	333	388	219	221	226	28	37	45	66	95
15	282	324	381	443	219	221	226	32	43	51	75	108
16	242	278	327	380	228	230	235	27	36	43	63	91
17	287	330	387	451	235	237	242	32	43	51	75	108
18	229	263	309	360	206	208	212	26	35	42	61	88
24	201	231	271	316	174	176	179	22	29	35	51	74
25	278	320	375	436	224	226	231	31	41	50	73	105
26	341	392	460	535	192	194	198	38	51	61	89	128
31	252	290	340	396	201	203	207	28	37	45	66	95
32	207	238	279	325	185	187	191	23	31	37	54	78
33	250	288	338	393	172	174	177	28	37	45	66	95
40	315	362	425	495	231	233	238	35	47	56	82	118
41	249	286	336	391	218	220	225	28	37	45	66	95
43	244	281	329	383	182	184	187	27	36	43	63	91
47	262	301	354	411	179	181	184	29	39	46	68	98
51	201	231	271	316	216	218	222	22	29	35	51	74
52	282	324	381	443	240	242	247	32	43	51	75	108

* Excluding "clean risks" as defined under the Premium Determination Rule.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	29	27	26	25	23	22	21	19	17	16	15	1	6
2	40	38	36	34	32	30	29	26	24	22	21	2	6
3	45	43	41	39	36	34	32	30	27	25	23	3	9
4	50	48	45	43	40	38	36	33	30	28	26	4	11
5	56	54	51	48	46	43	40	37	34	32	29	5	13
6	63	60	57	54	51	48	45	42	39	36	33	6	17
7	70	66	63	60	56	53	50	46	42	39	36	7	21
8	75	72	68	65	61	57	54	49	46	43	39	8	24
10	81	78	74	70	66	62	58	54	50	46	42	10	31
11	88	84	80	76	71	67	63	58	54	49	45	11	37
12	96	92	87	82	78	73	69	63	59	54	49	12	44
13	103	98	93	89	84	79	74	68	63	58	53	13	51
14	112	106	101	96	90	85	80	73	68	63	57	14	60
15	123	117	111	105	100	93	88	81	75	69	63	15	73
16	135	129	122	116	109	103	97	89	82	76	70	16	89
17	149	142	135	128	121	114	107	98	91	84	77	17	106
18	163	155	148	140	132	124	117	107	100	92	84	18	127
19	178	169	161	152	144	136	127	117	108	100	92	19	152
20	197	188	178	169	160	150	141	130	120	111	101	20	180
21	219	209	198	188	177	167	157	144	133	123	112	21	249
22	247	235	223	212	200	188	176	162	150	139	127		
23	277	263	250	237	224	211	198	182	169	155	142		
24	320	305	290	275	260	244	229	211	195	180	165		
25	394	375	357	338	319	300	282	259	240	222	203		
26	484	461	438	415	392	369	346	318	295	272	249		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	172	165	157	148	140	131	118	108	99	90	80	1	39
2	196	187	178	168	159	148	135	123	112	101	92	2	47
3	228	217	206	194	185	172	157	144	131	118	107	3	58
4	247	236	224	211	200	187	170	155	142	127	116	4	65
5	264	251	237	226	213	198	180	165	150	135	123	5	77
6	277	264	251	237	224	208	191	174	159	142	129	6	84
7	288	275	262	247	234	217	198	181	165	148	135	7	92
8	301	286	271	258	243	226	206	189	172	155	140	8	110
10	320	305	290	275	260	241	219	202	183	165	150	10	127
11	337	320	303	288	271	252	230	211	193	172	157	11	138
12	346	329	312	295	281	260	237	217	198	178	161	12	153
13	359	342	325	309	292	271	247	226	206	185	168	13	165
14	383	365	346	329	310	288	262	241	219	196	180	14	183
15	402	383	365	346	325	303	277	252	230	208	187	15	198
16	419	398	378	359	338	314	286	264	239	215	194	16	219
17	434	413	393	372	352	327	297	273	249	223	202	17	232
18	458	436	413	393	370	344	314	288	262	236	213	18	252
19	477	454	432	410	387	359	327	299	273	245	223	19	267
20	494	469	445	423	398	370	338	310	282	254	230	20	282
21	512	488	464	439	415	385	352	322	294	264	239	21	322
22	540	514	488	464	438	406	370	340	309	279	252		
23	561	535	509	481	454	423	385	353	322	288	262		
24	587	559	531	503	475	441	402	368	335	301	275		
25	634	604	574	544	514	477	436	398	363	325	295		
26	688	655	623	589	557	518	471	432	393	353	322		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	41	39	37	35	33	31	29	27	25	23	21	1	8
2	57	54	51	49	46	43	41	37	35	32	29	2	9
3	64	61	58	55	52	49	46	42	39	36	33	3	13
4	71	68	64	61	57	54	51	46	43	40	37	4	16
5	80	76	72	69	65	61	57	52	49	45	41	5	18
6	90	86	82	77	73	69	64	59	55	51	46	6	24
7	99	94	89	85	80	75	71	65	60	56	51	7	29
8	107	102	97	92	87	82	77	70	65	60	55	8	35
10	116	110	105	99	93	88	83	76	71	65	59	10	44
11	125	119	113	107	102	96	90	82	76	70	64	11	53
12	137	130	124	117	111	104	98	90	83	77	70	12	62
13	147	140	133	126	119	112	105	97	90	83	76	13	73
14	159	151	144	136	129	121	113	104	97	89	82	14	86
15	174	166	158	150	141	133	125	115	106	98	90	15	104
16	192	183	174	165	156	146	137	126	117	108	99	16	126
17	212	202	192	182	172	161	152	139	129	119	109	17	151
18	232	221	210	199	188	177	166	152	141	130	119	18	180
19	253	241	229	217	205	193	181	166	154	142	130	19	215
20	280	267	253	240	227	213	200	184	171	157	144	20	255
21	311	296	282	267	252	237	222	205	190	175	160	21	354
22	351	334	318	301	284	267	251	231	214	197	180		
23	393	374	355	337	318	299	281	258	240	221	202		
24	455	434	412	390	369	347	325	299	278	256	234		
25	560	534	507	480	454	427	400	368	341	315	288		
26	688	655	622	590	557	524	491	452	419	387	354		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	191	183	175	164	156	146	131	121	110	100	89	1	44
2	218	208	198	187	177	164	150	137	125	112	102	2	52
3	254	241	229	216	206	191	175	160	146	131	119	3	64
4	275	262	250	235	223	208	189	173	158	141	129	4	73
5	293	279	264	252	237	220	200	183	166	150	137	5	85
6	308	293	279	264	250	231	212	193	177	158	144	6	94
7	320	306	291	275	260	241	220	202	183	164	150	7	102
8	335	318	302	287	270	252	229	210	191	173	156	8	123
10	356	339	322	306	289	268	243	225	204	183	166	10	141
11	374	356	337	320	302	281	256	235	214	191	175	11	154
12	385	366	347	329	312	289	264	241	220	198	179	12	171
13	399	381	362	343	324	302	275	252	229	206	187	13	183
14	426	406	385	366	345	320	291	268	243	218	200	14	204
15	447	426	406	385	362	337	308	281	256	231	208	15	220
16	466	443	420	399	376	349	318	293	266	239	216	16	243
17	483	460	437	414	391	364	331	304	277	248	225	17	258
18	510	485	460	437	412	383	349	320	291	262	237	18	281
19	530	505	480	456	431	399	364	333	304	272	248	19	297
20	549	522	495	470	443	412	376	345	314	283	256	20	314
21	570	543	516	489	462	428	391	358	327	293	266	21	358
22	601	572	543	516	487	451	412	379	343	310	281		
23	624	595	566	535	505	470	428	393	358	320	291		
24	653	622	591	560	528	491	447	410	372	335	306		
25	705	672	639	605	572	530	485	443	404	362	329		
26	765	728	693	655	620	576	524	480	437	393	358		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	186	178	170	160	152	141	127	117	107	97	87	1	42
2	212	202	192	182	172	160	145	133	121	109	99	2	51
3	246	234	222	210	200	186	170	156	141	127	115	3	63
4	267	255	242	228	216	202	184	168	154	137	125	4	71
5	285	271	257	244	230	214	194	178	162	145	133	5	83
6	299	285	271	257	242	224	206	188	172	154	139	6	91
7	311	297	283	267	253	234	214	196	178	160	145	7	99
8	325	309	293	279	263	244	222	204	186	168	152	8	119
10	345	329	313	297	281	261	236	218	198	178	162	10	137
11	364	345	327	311	293	273	248	228	208	186	170	11	149
12	374	356	337	319	303	281	257	234	214	192	174	12	166
13	388	370	351	333	315	293	267	244	222	200	182	13	178
14	414	394	374	356	335	311	283	261	236	212	194	14	198
15	434	414	394	374	351	327	299	273	248	224	202	15	214
16	452	430	408	388	366	339	309	285	259	232	210	16	236
17	469	446	424	402	380	354	321	295	269	240	218	17	250
18	495	471	446	424	400	372	339	311	283	255	230	18	273
19	515	491	467	442	418	388	354	323	295	265	240	19	289
20	533	507	481	457	430	400	366	335	305	275	248	20	305
21	553	527	501	475	448	416	380	347	317	285	259	21	347
22	584	556	527	501	473	438	400	368	333	301	273		
23	606	578	549	519	491	457	416	382	347	311	283		
24	634	604	574	543	513	477	434	398	362	325	297		
25	685	652	620	588	556	515	471	430	392	351	319		
26	743	707	673	636	602	560	509	467	424	382	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	176	168	160	151	143	134	120	111	101	92	82	1	40
2	201	191	181	172	162	151	138	126	115	103	94	2	48
3	233	222	210	199	189	176	160	147	134	120	109	3	59
4	252	241	229	216	204	191	174	159	145	130	118	4	67
5	269	256	243	231	218	202	183	168	153	138	126	5	78
6	283	269	256	243	229	212	195	178	162	145	132	6	86
7	294	281	267	252	239	222	202	185	168	151	138	7	94
8	308	292	277	264	248	231	210	193	176	159	143	8	113
10	327	311	296	281	265	246	223	206	187	168	153	10	130
11	344	327	309	294	277	258	235	216	197	176	160	11	141
12	353	336	319	302	287	265	243	222	202	181	164	12	157
13	367	350	332	315	298	277	252	231	210	189	172	13	168
14	392	372	353	336	317	294	267	246	223	201	183	14	187
15	411	392	372	353	332	309	283	258	235	212	191	15	202
16	428	407	386	367	346	321	292	269	244	220	199	16	223
17	443	422	401	380	359	334	304	279	254	227	206	17	237
18	468	445	422	401	378	351	321	294	267	241	218	18	258
19	487	464	441	418	395	367	334	306	279	250	227	19	273
20	504	479	455	432	407	378	346	317	288	260	235	20	288
21	523	499	474	449	424	393	359	329	300	269	244	21	329
22	552	525	499	474	447	414	378	348	315	285	258		
23	573	546	520	491	464	432	393	361	329	294	267		
24	600	571	542	514	485	451	411	376	342	308	281		
25	647	617	586	556	525	487	445	407	371	332	302		
26	703	669	636	602	569	529	481	441	401	361	329		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
 (b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	180	172	165	155	147	137	123	114	104	94	84	1	41
2	206	196	186	176	167	155	141	129	118	106	96	2	49
3	239	227	216	204	194	180	165	151	137	123	112	3	61
4	259	247	235	221	210	196	178	163	149	133	122	4	69
5	276	263	249	237	223	208	188	172	157	141	129	5	80
6	290	276	263	249	235	218	200	182	167	149	135	6	88
7	302	288	274	259	245	227	208	190	172	155	141	7	96
8	316	300	284	270	255	237	216	198	180	163	147	8	116
10	335	319	304	288	272	253	229	212	192	172	157	10	133
11	353	335	318	302	284	265	241	221	202	180	165	11	145
12	363	345	327	310	294	272	249	227	208	186	169	12	161
13	376	359	341	323	306	284	259	237	216	194	176	13	172
14	402	382	363	345	325	302	274	253	229	206	188	14	192
15	421	402	382	363	341	318	290	265	241	218	196	15	208
16	439	417	396	376	355	329	300	276	251	225	204	16	229
17	455	433	412	390	368	343	312	286	261	233	212	17	243
18	480	457	433	412	388	361	329	302	274	247	223	18	265
19	500	476	453	429	406	376	343	314	286	257	233	19	280
20	517	492	466	443	417	388	355	325	296	267	241	20	296
21	537	512	486	461	435	404	368	337	308	276	251	21	337
22	566	539	512	486	459	425	388	357	323	292	265		
23	588	561	533	504	476	443	404	370	337	302	274		
24	615	586	557	527	498	463	421	386	351	316	288		
25	664	633	602	570	539	500	457	417	380	341	310		
26	721	686	653	617	584	543	494	453	412	370	337		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
 (b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	38	36	34	32	31	29	27	24	22	21	1	8
2	56	53	50	48	45	42	40	37	34	31	29	2	9
3	63	60	57	54	51	48	45	41	38	36	32	3	13
4	69	66	63	60	56	53	50	46	42	39	36	4	15
5	78	75	71	67	64	60	56	51	48	44	40	5	18
6	89	84	80	76	72	67	63	58	54	50	46	6	23
7	97	92	87	83	78	74	69	64	59	55	50	7	29
8	105	100	95	90	85	80	75	69	64	59	54	8	34
10	113	108	103	98	92	86	81	75	69	64	58	10	43
11	123	117	111	105	100	94	88	81	75	69	63	11	52
12	134	128	121	115	109	102	96	88	82	75	69	12	61
13	144	137	130	123	117	110	103	95	88	81	74	13	72
14	156	148	141	134	126	119	111	102	95	87	80	14	84
15	171	163	155	147	139	130	122	113	104	96	88	15	102
16	189	180	171	162	153	144	135	124	115	106	97	16	123
17	208	198	188	179	169	158	149	137	127	117	107	17	148
18	227	217	206	195	184	173	163	149	139	128	117	18	177
19	248	236	225	213	201	189	178	163	151	139	128	19	211
20	275	262	249	236	223	209	197	181	167	154	142	20	251
21	305	291	277	262	248	233	218	201	186	172	157	21	347
22	345	328	312	295	279	262	246	226	210	193	177		
23	386	367	349	331	312	294	276	253	235	217	198		
24	447	426	404	383	362	340	319	294	272	251	230		
25	550	524	498	471	445	419	393	361	335	309	283		
26	675	643	611	579	546	514	482	444	411	379	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	50	48	45	43	40	38	36	33	30	28	26	1	10
2	69	66	63	59	56	53	50	46	42	39	36	2	11
3	79	75	71	67	63	59	56	51	48	44	40	3	16
4	86	83	79	75	70	66	62	57	53	49	45	4	19
5	98	93	88	84	79	75	70	64	59	55	50	5	22
6	110	105	100	94	89	84	79	73	67	62	57	6	29
7	121	115	109	104	98	92	86	79	73	68	62	7	36
8	131	125	119	112	106	100	94	86	80	74	67	8	42
10	141	135	128	121	114	108	101	93	86	79	73	10	53
11	153	146	139	131	124	117	110	100	93	86	79	11	65
12	167	159	151	143	135	127	119	110	102	94	86	12	76
13	180	171	162	154	145	137	128	118	110	101	92	13	89
14	194	185	176	166	157	148	139	127	118	109	100	14	105
15	213	203	193	183	173	162	152	141	130	120	110	15	127
16	235	224	213	201	190	179	168	154	143	132	121	16	154
17	259	247	234	222	210	197	185	170	158	146	133	17	185
18	283	270	257	243	230	216	203	186	173	159	146	18	220
19	309	294	280	265	250	236	221	203	188	174	159	19	263
20	343	326	310	294	277	261	245	225	209	192	176	20	312
21	380	362	345	326	308	290	272	250	232	214	195	21	432
22	429	409	388	368	347	327	306	282	261	241	220		
23	480	457	434	412	389	366	343	315	293	270	247		
24	556	530	504	477	451	424	397	366	339	313	286		
25	684	652	620	587	554	521	489	450	417	385	352		
26	841	801	760	721	680	640	601	552	512	473	432		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	193	185	176	166	158	147	132	122	111	101	90	1	44
2	221	210	200	189	179	166	151	139	126	113	103	2	53
3	256	244	231	218	208	193	176	162	147	132	120	3	65
4	277	265	252	237	225	210	191	174	160	143	130	4	74
5	296	281	267	254	239	223	202	185	168	151	139	5	86
6	311	296	281	267	252	233	214	195	179	160	145	6	95
7	323	309	294	277	263	244	223	204	185	166	151	7	103
8	338	321	305	290	273	254	231	212	193	174	158	8	124
10	359	342	326	309	292	271	246	227	206	185	168	10	143
11	378	359	340	323	305	284	258	237	216	193	176	11	155
12	389	370	351	332	315	292	267	244	223	200	181	12	172
13	403	384	365	347	328	305	277	254	231	208	189	13	185
14	431	410	389	370	349	323	294	271	246	221	202	14	206
15	452	431	410	389	365	340	311	284	258	233	210	15	223
16	470	447	424	403	380	353	321	296	269	242	218	16	246
17	487	464	441	418	395	368	334	307	279	250	227	17	260
18	515	489	464	441	416	386	353	323	294	265	239	18	284
19	536	510	485	460	435	403	368	336	307	275	250	19	300
20	554	527	500	475	447	416	380	349	317	286	258	20	317
21	575	548	521	494	466	433	395	361	330	296	269	21	361
22	607	578	548	521	491	456	416	382	347	313	284		
23	630	601	571	540	510	475	433	397	361	323	294		
24	659	628	596	565	533	496	452	414	376	338	309		
25	712	678	645	611	578	536	489	447	407	365	332		
26	773	735	699	662	626	582	529	485	441	397	361		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	39	37	35	33	31	30	28	26	23	21	20	1	8
2	54	51	48	46	43	41	38	35	33	30	28	2	9
3	61	58	55	52	49	46	43	40	37	34	31	3	12
4	67	64	61	58	54	51	48	44	41	38	35	4	15
5	75	72	68	65	61	58	54	49	46	42	39	5	17
6	85	81	77	73	69	65	61	56	52	48	44	6	22
7	93	89	84	80	75	71	67	61	57	53	48	7	28
8	101	96	92	87	82	77	72	66	62	57	52	8	33
10	109	104	99	94	88	83	78	72	67	61	56	10	41
11	118	113	107	101	96	90	85	78	72	66	61	11	50
12	129	123	117	111	105	98	92	85	79	72	66	12	59
13	139	132	125	119	112	106	99	91	85	78	71	13	69
14	150	143	136	129	121	114	107	98	91	84	77	14	81
15	165	157	149	141	134	125	118	109	100	93	85	15	98
16	182	173	164	156	147	138	130	119	111	102	93	16	119
17	200	191	181	172	162	152	143	132	122	113	103	17	143
18	219	209	198	188	177	167	157	144	134	123	113	18	170
19	239	227	216	205	193	182	171	157	145	134	123	19	203
20	265	252	239	227	214	201	189	174	161	148	136	20	241
21	294	280	266	252	238	224	210	193	179	165	151	21	334
22	332	316	300	284	268	252	237	218	202	186	170		
23	371	353	336	318	300	283	265	244	226	209	191		
24	430	410	389	369	348	327	307	283	262	242	221		
25	529	504	479	453	428	403	378	348	322	297	272		
26	650	619	588	557	526	495	464	427	396	365	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	172	165	157	148	140	131	118	108	99	90	80	1	39
2	196	187	178	168	159	148	135	123	112	101	92	2	47
3	228	217	206	194	185	172	157	144	131	118	107	3	58
4	247	236	224	211	200	187	170	155	142	127	116	4	65
5	264	251	237	226	213	198	180	165	150	135	123	5	77
6	277	264	251	237	224	208	191	174	159	142	129	6	84
7	288	275	262	247	234	217	198	181	165	148	135	7	92
8	301	286	271	258	243	226	206	189	172	155	140	8	110
10	320	305	290	275	260	241	219	202	183	165	150	10	127
11	337	320	303	288	271	252	230	211	193	172	157	11	138
12	346	329	312	295	281	260	237	217	198	178	161	12	153
13	359	342	325	309	292	271	247	226	206	185	168	13	165
14	383	365	346	329	310	288	262	241	219	196	180	14	183
15	402	383	365	346	325	303	277	252	230	208	187	15	198
16	419	398	378	359	338	314	286	264	239	215	194	16	219
17	434	413	393	372	352	327	297	273	249	223	202	17	232
18	458	436	413	393	370	344	314	288	262	236	213	18	252
19	477	454	432	410	387	359	327	299	273	245	223	19	267
20	494	469	445	423	398	370	338	310	282	254	230	20	282
21	512	488	464	439	415	385	352	322	294	264	239	21	322
22	540	514	488	464	438	406	370	340	309	279	252		
23	561	535	509	481	454	423	385	353	322	288	262		
24	587	559	531	503	475	441	402	368	335	301	275		
25	634	604	574	544	514	477	436	398	363	325	295		
26	688	655	623	589	557	518	471	432	393	353	322		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	55	52	49	47	44	42	39	36	33	30	28	1	11
2	76	72	68	65	61	58	54	50	46	42	39	2	12
3	86	81	77	73	69	65	61	56	52	48	44	3	17
4	94	90	86	81	76	72	68	62	58	53	49	4	21
5	107	102	96	91	86	81	76	70	65	60	55	5	24
6	120	114	109	103	97	91	86	79	73	68	62	6	32
7	132	125	119	113	107	100	94	86	80	74	68	7	39
8	143	136	130	122	116	109	102	94	87	81	73	8	46
10	154	147	140	132	125	117	110	102	94	86	79	10	58
11	167	159	151	143	135	127	120	109	102	94	86	11	71
12	182	174	165	156	148	139	130	120	111	102	94	12	83
13	196	186	177	168	158	149	140	129	120	110	101	13	97
14	212	202	192	181	171	161	151	139	129	119	109	14	114
15	233	222	211	199	189	177	166	153	142	131	120	15	138
16	256	244	232	220	207	195	183	168	156	144	132	16	168
17	283	269	256	243	229	215	202	186	172	159	145	17	202
18	309	294	280	265	251	235	221	203	189	174	159	18	240
19	337	321	305	289	273	257	241	222	205	189	174	19	287
20	374	356	338	320	302	284	267	246	228	210	192	20	341
21	415	395	376	356	336	316	297	273	253	233	213	21	472
22	468	446	423	401	379	356	334	307	285	263	240		
23	524	499	474	449	424	399	374	344	320	294	269		
24	607	578	549	521	492	462	433	399	370	341	312		
25	747	711	676	640	605	569	534	491	455	420	384		
26	917	873	829	786	742	698	655	603	559	516	472		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	213	204	195	183	174	162	146	135	123	111	100	1	49
2	244	232	220	209	197	183	167	153	139	125	114	2	58
3	283	269	255	241	230	213	195	179	162	146	132	3	72
4	306	292	278	262	248	232	211	193	176	158	144	4	81
5	327	311	295	281	264	246	223	204	186	167	153	5	95
6	343	327	311	295	278	258	237	216	197	176	160	6	104
7	357	341	325	306	290	269	246	225	204	183	167	7	114
8	374	355	336	320	302	281	255	234	213	193	174	8	137
10	397	378	360	341	322	299	271	251	227	204	186	10	158
11	418	397	376	357	336	313	285	262	239	213	195	11	172
12	429	408	387	367	348	322	295	269	246	220	200	12	190
13	445	425	404	383	362	336	306	281	255	230	209	13	204
14	476	452	429	408	385	357	325	299	271	244	223	14	227
15	499	476	452	429	404	376	343	313	285	258	232	15	246
16	520	494	469	445	420	390	355	327	297	267	241	16	271
17	538	513	487	462	436	406	369	339	309	276	251	17	288
18	568	541	513	487	459	427	390	357	325	292	264	18	313
19	592	564	536	508	480	445	406	371	339	304	276	19	332
20	612	582	552	524	494	459	420	385	350	316	285	20	350
21	636	606	575	545	515	478	436	399	364	327	297	21	399
22	670	638	606	575	543	503	459	422	383	346	313		
23	696	664	631	596	564	524	478	438	399	357	325		
24	728	694	659	624	589	548	499	457	415	374	341		
25	786	749	712	675	638	592	541	494	450	404	367		
26	854	812	773	731	691	643	585	536	487	438	399		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	218	209	199	187	178	166	149	137	126	114	102	1	50
2	249	237	225	213	201	187	171	156	142	128	116	2	59
3	289	275	261	246	235	218	199	182	166	149	135	3	73
4	313	299	284	268	254	237	216	197	180	161	147	4	83
5	334	318	301	287	270	251	228	209	190	171	156	5	97
6	351	334	318	301	284	263	242	220	201	180	164	6	107
7	365	348	332	313	296	275	251	230	209	187	171	7	116
8	382	363	344	327	308	287	261	239	218	197	178	8	140
10	405	386	367	348	329	306	277	256	232	209	190	10	161
11	427	405	384	365	344	320	292	268	244	218	199	11	175
12	438	417	396	374	356	329	301	275	251	225	204	12	194
13	455	434	412	391	370	344	313	287	261	235	213	13	209
14	486	462	438	417	393	365	332	306	277	249	228	14	232
15	510	486	462	438	412	384	351	320	292	263	237	15	251
16	531	505	479	455	429	398	363	334	303	273	246	16	277
17	550	524	498	472	446	415	377	346	315	282	256	17	294
18	581	552	524	498	469	436	398	365	332	299	270	18	320
19	604	576	547	519	491	455	415	379	346	310	282	19	339
20	626	595	564	536	505	469	429	393	358	322	292	20	358
21	649	619	588	557	526	488	446	408	372	334	303	21	408
22	685	652	619	588	555	514	469	431	391	353	320		
23	711	678	645	609	576	536	488	448	408	365	332		
24	744	709	673	638	602	559	510	467	424	382	348		
25	803	766	728	690	652	604	552	505	460	412	374		
26	872	830	789	747	706	656	597	547	498	448	408		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	178	171	163	153	146	136	122	113	103	93	83	1	41
2	204	194	184	175	165	153	140	128	116	105	95	2	49
3	237	225	213	202	192	178	163	149	136	122	111	3	60
4	256	244	233	219	208	194	177	161	147	132	120	4	68
5	274	260	246	235	221	206	186	171	155	140	128	5	80
6	287	274	260	246	233	215	198	180	165	147	134	6	87
7	299	285	272	256	243	225	206	188	171	153	140	7	95
8	312	297	281	268	252	235	213	196	178	161	146	8	114
10	332	316	301	285	270	250	227	210	190	171	155	10	132
11	349	332	314	299	281	262	239	219	200	178	163	11	144
12	359	341	324	307	291	270	246	225	206	184	167	12	159
13	372	355	338	320	303	281	256	235	213	192	175	13	171
14	398	378	359	341	322	299	272	250	227	204	186	14	190
15	417	398	378	359	338	314	287	262	239	215	194	15	206
16	435	413	392	372	351	326	297	274	248	223	202	16	227
17	450	429	407	386	365	340	308	283	258	231	210	17	241
18	475	452	429	407	384	357	326	299	272	244	221	18	262
19	495	471	448	425	402	372	340	310	283	254	231	19	277
20	512	487	462	438	413	384	351	322	293	264	239	20	293
21	532	506	481	456	431	400	365	334	305	274	248	21	334
22	561	534	506	481	454	421	384	353	320	289	262		
23	582	555	528	499	471	438	400	367	334	299	272		
24	609	580	551	522	493	458	417	382	347	312	285		
25	658	627	596	565	534	495	452	413	376	338	307		
26	714	679	646	611	578	537	489	448	407	367	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	28	27	25	24	23	21	20	18	16	15	1	6
2	41	39	37	35	33	31	29	27	25	23	21	2	7
3	46	44	42	40	37	35	33	30	28	26	24	3	9
4	51	49	46	44	41	39	37	34	31	29	27	4	11
5	58	55	52	50	47	44	41	38	35	32	30	5	13
6	65	62	59	56	53	50	46	43	40	37	34	6	17
7	71	68	64	61	58	54	51	47	43	40	37	7	21
8	77	74	70	66	63	59	55	51	47	44	40	8	25
10	83	80	76	72	67	64	60	55	51	47	43	10	32
11	90	86	82	78	73	69	65	59	55	51	46	11	38
12	99	94	89	85	80	75	71	65	60	55	51	12	45
13	106	101	96	91	86	81	76	70	65	60	55	13	53
14	115	109	104	98	93	87	82	75	70	64	59	14	62
15	126	120	114	108	102	96	90	83	77	71	65	15	75
16	139	132	126	119	112	106	99	91	85	78	71	16	91
17	153	146	138	131	124	117	110	101	93	86	79	17	109
18	167	160	152	144	136	128	120	110	102	94	86	18	130
19	183	174	165	156	148	139	131	120	111	103	94	19	156
20	202	193	183	174	164	154	145	133	123	113	104	20	184
21	225	214	204	193	182	171	161	148	137	126	115	21	255
22	254	241	229	217	205	193	181	167	154	142	130		
23	284	270	257	243	230	216	203	186	173	160	146		
24	329	313	298	282	266	250	235	216	200	185	169		
25	404	385	366	347	328	308	289	266	246	227	208		
26	497	473	449	426	402	378	355	326	303	279	255		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	166	158	151	142	135	126	113	104	95	86	77	1	38
2	189	180	171	162	153	142	130	119	108	97	88	2	45
3	220	209	198	187	178	166	151	139	126	113	103	3	56
4	238	227	216	203	193	180	164	149	137	122	112	4	63
5	254	241	229	218	205	191	173	158	144	130	119	5	74
6	266	254	241	229	216	200	184	167	153	137	124	6	81
7	277	265	252	238	225	209	191	175	158	142	130	7	88
8	290	275	261	248	234	218	198	182	166	149	135	8	106
10	308	293	279	265	250	232	211	194	176	158	144	10	122
11	324	308	292	277	261	243	221	203	185	166	151	11	133
12	333	317	301	284	270	250	229	209	191	171	155	12	148
13	346	329	313	297	281	261	238	218	198	178	162	13	158
14	369	351	333	317	299	277	252	232	211	189	173	14	176
15	387	369	351	333	313	292	266	243	221	200	180	15	191
16	403	383	364	346	326	302	275	254	230	207	187	16	211
17	418	398	378	358	338	315	286	263	239	214	194	17	223
18	441	419	398	378	356	331	302	277	252	227	205	18	243
19	459	437	416	394	373	346	315	288	263	236	214	19	257
20	475	452	428	407	383	356	326	299	272	245	221	20	272
21	493	470	446	423	400	371	338	310	283	254	230	21	310
22	520	495	470	446	421	391	356	328	297	268	243		
23	540	515	490	463	437	407	371	340	310	277	252		
24	565	538	511	484	457	425	387	355	322	290	265		
25	610	581	553	524	495	459	419	383	349	313	284		
26	662	630	599	567	536	499	454	416	378	340	310		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	36	35	33	31	29	28	26	24	22	20	19	1	7
2	50	48	46	43	41	38	36	33	31	28	26	2	8
3	57	54	51	49	46	43	41	37	35	32	29	3	12
4	63	60	57	54	51	48	45	41	38	36	33	4	14
5	71	68	64	61	58	54	51	47	43	40	36	5	16
6	80	76	72	69	65	61	57	53	49	45	41	6	21
7	88	84	79	75	71	67	63	58	53	49	45	7	26
8	95	91	86	82	77	72	68	62	58	54	49	8	31
10	103	98	93	88	83	78	73	68	63	58	53	10	39
11	111	106	101	96	90	85	80	73	68	62	57	11	47
12	121	116	110	104	98	93	87	80	74	68	62	12	55
13	131	124	118	112	106	99	93	86	80	73	67	13	65
14	141	134	128	121	114	108	101	93	86	79	72	14	76
15	155	148	141	133	126	118	111	102	95	87	80	15	92
16	171	163	155	146	138	130	122	112	104	96	88	16	112
17	189	180	170	162	153	144	135	124	115	106	97	17	134
18	206	196	187	177	167	157	147	135	126	116	106	18	160
19	225	214	204	192	182	171	161	148	137	126	116	19	192
20	249	237	225	214	202	190	178	164	152	140	128	20	227
21	276	264	251	237	224	211	198	182	168	156	142	21	314
22	312	297	282	267	252	238	223	205	190	175	160		
23	349	333	316	300	283	266	250	229	213	196	180		
24	405	385	366	347	328	308	289	266	247	228	208		
25	498	474	451	427	403	379	356	327	303	280	256		
26	612	582	553	524	495	466	437	402	372	344	314		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	189	180	172	162	154	144	129	119	109	98	88	1	43
2	215	205	195	185	174	162	148	135	123	111	100	2	51
3	250	238	226	213	203	189	172	158	144	129	117	3	64
4	271	258	246	232	219	205	187	170	156	139	127	4	72
5	289	275	260	248	234	217	197	180	164	148	135	5	84
6	303	289	275	260	246	228	209	191	174	156	141	6	92
7	316	301	287	271	256	238	217	199	180	162	148	7	100
8	330	314	297	283	267	248	226	207	189	170	154	8	121
10	351	334	318	301	285	264	240	221	201	180	164	10	139
11	369	351	332	316	297	277	252	232	211	189	172	11	152
12	379	361	342	324	308	285	260	238	217	195	176	12	168
13	394	375	357	338	320	297	271	248	226	203	185	13	180
14	420	400	379	361	340	316	287	264	240	215	197	14	201
15	441	420	400	379	357	332	303	277	252	228	205	15	217
16	459	437	414	394	371	344	314	289	262	236	213	16	240
17	476	453	431	408	385	359	326	299	273	244	221	17	254
18	502	478	453	431	406	377	344	316	287	258	234	18	277
19	523	498	474	449	424	394	359	328	299	269	244	19	293
20	541	515	488	463	437	406	371	340	310	279	252	20	310
21	562	535	508	482	455	422	385	353	322	289	262	21	353
22	592	564	535	508	480	445	406	373	338	305	277		
23	615	586	558	527	498	463	422	387	353	316	287		
24	644	613	582	551	521	484	441	404	367	330	301		
25	695	662	629	597	564	523	478	437	398	357	324		
26	754	718	683	646	611	568	517	474	431	387	353		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

Territory	Territory
ALAMANCE COUNTY – See Burlington-Graham and Remainder of State.	CHOWAN COUNTY territory comprises all territory in Chowan County..... 33
ASHEVILLE territory comprises the entire city of Asheville and all territory in Buncombe County included in the townships of Asheville, Limestone and Lower Hominy, including all of the following towns, cities or places11	COLUMBUS COUNTY territory comprises all territory in Columbus County..... 26
Acton Buena Vista Luthers	CONCORD-KANNAPOLIS-SALISBURY territory comprises the entire cities of Concord, Kannapolis and Salisbury, all territory in Cabarrus County included in Townships 1 (Rocky River), 2 (Poplar Tent), 4 (Kannapolis), 5 (Mount Gilead), 11 (Baptist Church) and 12 (Concord), and all territory in Rowan County included in the townships of China Grove, Franklin, Litaka and Salisbury, including all of the following towns, cities or places 32
Arden Busbee New Bridge	Brown- Franklin Roberta Mills
Asheville Craggy Oakley	Norcott Mills Glass Rocky Ridge
School Emma Oteen	China Grove Harrisburg Rocky River
Biltmore Enka Shiloh	Cooks Jackson Park South River
Forest Haw Creek Skyland	Crossing Landis Spencer
Boswell Hominy Woodfin	East Spencer Majolica Yadkin
BEAUFORT COUNTY territory comprises all territory in Beaufort County33	Faggarts Mount Gilead Junction
BERTIE COUNTY territory comprises all territory in Bertie County33	Crossroads Pharrs Mills Yost
BLADEN COUNTY territory comprises all territory in Bladen County33	Faith Pioneer Mills
BRUNSWICK COUNTY territory comprises all territory in Brunswick County not included in Wilmington territory.....26	Craven County territory comprises all territory in Craven County 43
BUNCOMBE COUNTY territory comprises all territory in Buncombe County not included in Asheville territory.....32	CUMBERLAND COUNTY territory comprises all territory in Cumberland County not included in Fayetteville territory 26
BURLINGTON-GRAHAM territory comprises the entire city of Burlington, the entire town of Graham, all territory in Alamance County included in Townships 3 (Boon Station), 6 (Graham), 10 (Melville), 12 (Burlington) and 13 (Haw River), the entire town of Mebane in Alamance and Orange Counties, and including all of the following towns, cities or places32	CURRITUCK COUNTY territory comprises all territory in Currituck County..... 33
Elon College Kirkpatrick Richmond	DARE COUNTY territory comprises all territory in Dare County 33
Gibsonville Heights Hill	DAVIDSON COUNTY – see Lexington-Thomasville and Remainder of State.
Glen Raven Lake Latham	DUPLIN COUNTY territory comprises all territory in Duplin County..... 33
Haw River Ossipee	DURHAM territory comprises the entire city of Durham and all territory in Durham County included in the townships of Durham, Oak Grove and Patterson, including all of the following towns, cities, or places..... 13
CABARRUS COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.	Bethesda Gorman North Durham
CAMDEN COUNTY territory comprises all territory in Camden County33	Bilboa Hope Valley Oak Grove
CARTERET COUNTY territory comprises all territory in Carteret County.....33	Few Joyland Redwood
CHARLOTTE territory comprises the entire city of Charlotte and all areas in Mecklenburg County except those areas with U.S. Postal Zip Codes 28025, 28026, 28031, 28036, 28075, 28078 and 28115.....52	DURHAM COUNTY territory comprises all territory in Durham County not included in Durham territory 32
	EDGECOMBE COUNTY territory comprises all territory in Edgecombe County not included in Rocky Mount territory 33

NOTE: Refer to an atlas or map for places not listed.

Territory	Territory
FAYETTEVILLE territory comprises the entire city of Fayetteville, all territory in the Fort Bragg and Pope Air Force Base Military Reservations in Cumberland County, and all territory in Cumberland County included in the townships of Carvers Creek, Cross Creek, Eastover, Manchester, Pearces Mill, Rockfish and Seventy First, including all of the following towns, cities or places.....40	HERTFORD COUNTY territory comprises all territory in Hertford County 33
Beard	
Bonnie Doone	
Cliffdale	
Cumberland	
Fenix	
Gardners	
Chapel	
Hope Mills	Roslin
Lakedale	Shaws
Linden	Slocomb
Manchester	South
Milan	Fayetteville
Myrtle Hill	Spring Lake
Owens	Tokay
	Victory
	Wade
FORSYTH COUNTY territory comprises all territory in Forsyth County not included in Winston-Salem territory.....32	HIGH POINT territory comprises the entire city of High Point, the town of Westend, and all territory in Guilford County included in High Point township..... 15
FRANKLIN COUNTY territory comprises all territory in Franklin County.....33	HOKE COUNTY territory comprises all territory in Hoke County 26
GASTON COUNTY territory comprises all territory in Gaston County.....25	HYDE COUNTY territory comprises all territory in Hyde County 33
GATES COUNTY territory comprises all territory in Gates County.....33	JOHNSTON COUNTY territory comprises all territory in Johnston County 26
GREENE COUNTY territory comprises all territory in Greene County.....33	JONES COUNTY territory comprises all territory in Jones County 33
GREENSBORO-HAMILTON LAKES territory comprises the entire city of Greensboro, the entire town of Hamilton Lakes and all territory in Guilford County included in the townships of Morehead and Gilmer, including all of the following towns, cities and places14	KINSTON territory comprises the entire city of Kinston and all territory in Lenoir County included in Kinston townships, including the following towns, cities or places..... 31
Battle Ground	
Bessemer	
Four Mile	Hines
Hamtown	Junction
Hill Top	
Pomona	
GREENVILLE territory comprises the entire town of Greenville and all territory in Pitt County included in Greenville townships, including the following towns, cities or places.....31	LEE COUNTY territory comprises all territory in Lee County..... 26
House	
James Mill	
Staton	
GUILFORD COUNTY territory comprises all territory in Guilford County not included in either Greensboro-Hamilton Lakes territory or High Point territory.....32	LENOIR COUNTY territory comprises all territory in Lenoir County not included in Kinston territory..... 33
HALIFAX COUNTY territory comprises all territory in Halifax County.....33	LEXINGTON-THOMASVILLE territory comprises the entire cities of Lexington and Thomasville, all territory in Davidson County included in the townships of Lexington and Thomasville, and all territory in Randolph County included in Trinity township, including all of the following towns, cities or places 32
HARNETT COUNTY territory comprises all territory in Harnett County.....26	Archdale
	Fraziers
	Glen Anna
	Trinity
	Welcome
	Cedar Lodge
	Lake
	MARTIN COUNTY territory comprises all territory in Martin County..... 33
	MECKLENBURG COUNTY territory comprises all territory in Mecklenburg County not included in Charlotte territory 51
	NASH COUNTY territory comprises all territory in Nash County not included in Rocky Mount territory 33
	NEW HANOVER COUNTY – see Wilmington.
	NORTHAMPTON COUNTY territory comprises all territory in Northampton County 33

NOTE: Refer to an atlas or map for places not listed.

Territory	Territory
ONCLO COUNTY territory comprises all territory in Onslow County.....41	ROWAN COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.
ORANGE COUNTY – see Burlington-Graham and Remainder of State.	SAMPSON COUNTY territory comprises all territory in Sampson County..... 33
PAMLICO COUNTY territory comprises all territory in Pamlico County.....33	SCOTLAND COUNTY territory comprises all territory in Scotland County 26
PASQUOTANK COUNTY territory comprises all territory in Pasquotank County.....33	TYRRELL COUNTY territory comprises all territory in Tyrrell County..... 33
PENDER COUNTY territory comprises all territory in Pender County.....33	VANCE COUNTY territory comprises all territory in Vance County..... 33
PERQUIMANS COUNTY territory comprises all territory in Perquimans County.....33	WAKE COUNTY territory comprises all territory in Wake County not included in Raleigh territory 31
PITT COUNTY territory comprises all territory in Pitt County not included in Greenville territory33	WARREN COUNTY territory comprises all territory in Warren County..... 33
RALEIGH territory comprises the entire city of Raleigh, all territory in Wake County included in the townships of Cary, House Creek, Meredith, Neuse River, Raleigh, St. Mary's, St. Matthews and Swift Creek and the entire town of Knightdale in St. Matthews and Marks Creek townships, including all of the following towns, cities or places16	WASHINGTON COUNTY territory comprises all territory in Washington County 33
Asbury College View Milbrook	WAYNE COUNTY territory comprises all territory in Wayne County..... 47
Auburn Edgeton Neuse	WILMINGTON territory comprises all of New Hanover County and in addition the following towns, cities or places 17
Boushell Fetner Oakdale	Belville Lanvale Navassa
Camp Polk Garner South	Clairmont Leland Woodburn
Caraleigh Macedonia Raleigh	WILSON territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson 31
Carolina McCullers Westover	WILSON COUNTY territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories 33
Pines Method Wilders	WINSTON-SALEM territory comprises the entire city of Winston-Salem and all territory in Forsyth County included in the townships of Broadbay, Middle Fork, Old Town, South Fork and Winston, including all of the following towns, cities or places..... 18
Cary Milburnie Grove	Alspaugh Frontis Reynolda
RANDOLPH COUNTY – see Lexington-Thomasville and Remainder of State.	Atwood Hanes Tiretown
ROBESON COUNTY territory comprises all territory in Robeson County26	Daisy Ogburttown Walkertown
ROCKY MOUNT territory comprises the entire city of Rocky Mount, all territory in Nash County included in Rocky Mount and Stony Creek townships, all territory in Edgecombe County included in Township 12 (Rocky Mount), and the entire town of Sharpsburg in Edgecombe, Nash and Wilson Counties, including all of the following towns, cities or places31	Fisherville Oldtown
Armstrong Dortches Winsteads	REMAINDER OF STATE 24
Brake Chapel	

NOTE: Refer to an atlas or map for places not listed.

LIST OF IMPORTANT CITIES AND TOWNS

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
A		B		B	
Abbey, Gaston	25	Bakersville, Mitchell.....	24	Brown-Norcott Mills, Cabarrus.....	32
Aberdeen, Moore	24	Balfours, Randolph.....	24	Bryson City, Swain	24
Acton, Buncombe.....	11	Bannertown, Surry	24	Buena Vista, Buncombe	11
Ahoskie, Hertford	33	Barker Heights, Henderson	24	Burgaw, Pender.....	33
Alamance, Alamance	24	Barnardville, Buncombe	32	Burlington, Alamance	32
Albermarie, Stanly.....	24	Battle Ground, Guilford.....	14	Burnsville, Yancey	24
Alexander, Buncombe.....	32	Bayboro, Pamlico	33	Busbee, Buncombe	11
Alexanders Store, Mecklenburg.....	52	Beard, Cumberland....	40	C	
Alexis, Gaston.....	25	Beattie, Gaston	25	Camden, Camden	33
Alspaugh, Forsyth.....	18	Beaufort, Carteret.....	33	Camp LeJeune, Onslow	41
Altamahaw, Alamance	24	Belhaven, Beaufort.....	33	Camp Polk, Wake	16
Andrews, Cherokee	24	Belmont, Gaston	25	Candler, Buncombe	32
Angier, Harnett.....	26	Belmont, Halifax	33	Canton, Haywood	24
Apex, Wake	31	Belville, Brunswick	17	Caraleigh, Wake	16
Archdale, Randolph	32	Benson, Johnston	26	Caroleen, Rutherford	24
Arden, Buncombe	11	Bessemer, Guilford	14	Carolina Beach, New Hanover	17
Arlington, Gaston	25	Bessemer City, Gaston	25	Carolina Pines, Wake	16
Armstrong, Edgecombe	31	Bethel, Pitt.....	33	Carrboro, Orange	24
Arnold, Davidson.....	32	Bethesda, Durham	13	Carson, Mecklenburg	52
Asbury, Wake	16	Bilboa, Durham	13	Carthage, Moore.....	24
Asheboro, Randolph	24	Biltmore Forest, Buncombe.....	11	Cary, Wake.....	16
Asheville, Buncombe	11	Biscoe, Montgomery.....	24	Castalia, Nash	33
Asheville School, Buncombe	11	Black Mountain, Buncombe.....	32	Cedar Falls, Randolph	24
Atwood, Forsyth.....	18	Boger City, Lincoln	24	Cedar Lodge, Davidson	32
Auburn, Wake	16	Boiling Springs, Cleveland	24	Chadbourn, Columbus.....	26
Aulander, Bertie	33	Bonnie Doone, Cumberland	40	Chadwick-Hoskins Mills, Mecklenburg.....	52
Ayden, Pitt	33	Boogertown, Gaston	25	Chapel Hill, Orange	24
B		Boone, Watauga	24	Charlotte, Mecklenburg	52
Badin, Stanly.....	24	Boswell, Buncombe.....	11	Cherry Point, Craven	43
Bailey, Nash.....	33	Boushell, Wake	16		
		Brake, Edgecombe.....	31		
		Brevard, Transylvania	24		

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
C		D		F	
Cherryville, Gaston	25	Dellview, Gaston	25	Faith, Rowan	32
China Grove, Rowan.....	32	Denton, Davidson.....	24	Farmville, Pitt.....	33
Clairmont, Brunswick	17	Derita, Mecklenburg	52	Fayetteville, Cumberland	40
Clayton, Johnston	26	Dobson, Surry	24	Fenix, Cumberland	40
Cleveland, Rowan.....	24	Dortches, Nash	31	Fetner, Wake	16
Clifdale, Cumberland	40	Draper, Rockingham	24	Few, Durham	13
Cliffside, Rutherford	24	Duke Power Village, Gaston	25	Fisherville, Forsyth	18
Clinchfield, McDowell.....	24	Dunn, Harnett.....	26	Forest City, Rutherford	24
Clinton, Sampson.....	33	Durham, Durham.....	13	Fort Bragg, Cumberland	40
Coats, Harnett.....	26	E		Fountain, Pitt	33
Coleridge, Randolph	24	East Gastonia, Gaston	25	Four Mile, Guilford.....	14
College View, Wake.....	16	East Spencer, Rowan.....	32	Franklin, Macon.....	24
Columbia, Tyrrell.....	33	East Wilmington, New Hanover.....	17	Franklin, Rowan.....	32
Columbus, Polk.....	24	Edenton, Chowan.....	33	Franklinton, Franklin	33
Concord, Cabarrus.....	32	Edgeton, Wake.....	16	Franklinville, Randolph	24
Conover, Catawba	24	Elizabeth City, Pasquotank	33	Fraziers, Randolph	32
Convent, Gaston	25	Elizabethtown, Bladen.....	33	Freeland, Brunswick	26
Cooks Crossing, Cabarrus.....	32	Elkin, Surry.....	24	Fremont, Wayne	47
Cooleemee, Davie	24	Eller, Davidson	24	Frontis, Forsyth.....	18
Cornelius, Mecklenburg	51	Elm City, Wilson	33	Fuquay Springs, Wake	31
Craggy, Buncombe	11	Elon College, Alamance	32	G	
Cramerton, Gaston	25	El Paso, Brunswick	17	Gardners Chapel, Cumberland.....	40
Croft, Mecklenburg.....	52	Emma, Buncombe.....	11	Garner, Wake	16
Cross Road, Surry	24	Enfield, Halifax	33	Gaston, Northampton	33
Crowders, Gaston	25	Enka, Buncombe	11	Gastonia, Gaston.....	25
Cumberland, Cumberland.....	40	Erwin, Harnett	26	Gatesville, Gates	33
Currituck, Currituck	33	F		Georgetown, Lenoir	31
D		Faggarts Crossroads, Cabarrus	32	Gibsonville, Guilford & Alamance	32
Daisy, Forsyth.....	18	Fair Bluff, Columbus.....	26	Glass, Cabarrus.....	32
Dallas, Gaston	25	Fairmont, Robeson.....	26		
Danbury, Stokes	24				
Davidson, Mecklenburg	51				

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
G		H		K	
Glen Anna, Davidson	32	Hertford, Perquimans	33	Kings Mountain, Cleveland	24
Glen Raven, Alamance	32	Hickory, Catawba	24	Kinston, Lenoir	31
Goldsboro, Wayne	47	Hickory Grove, Mecklenburg	52	Kirkpatrick Heights, Alamance	32
Gorman, Durham	13	High Point, Guilford	15	Knightdale, Wake	16
Goshen, Gaston	25	High Shoals, Gaston	25	L	
Graham, Alamance	32	Hillsboro, Orange	24	La Grange, Lenoir	33
Granite Falls, Caldwell	24	Hill Top, Guilford	14	Lake, Davidson	32
Granite Quarry, Rowan	24	Hines Junction, Lenoir	31	Lakedale, Cumberland	40
Greenleaf, Wayne	47	Holly Ridge, Onslow	41	Lake Latham Alamance	32
Greensboro, Guilford	14	Holly Springs, Wake	31	Landis, Rowan	32
Greenville, Pitt	31	Homestead, Mecklenburg	52	Lanvale, Brunswick	17
Griffith, Mecklenburg	52	Hominy, Buncombe	11	Laurinburg, Scotland	26
Grifton, Pitt	33	Hope Mills, Cumberland	40	Leaksville, Rockingham	24
Grimesland, Pitt	33	Hope Valley, Durham	13	Leicester, Buncombe	32
Grovesmont, Buncombe	32	House, Pitt	31	Leland, Brunswick	17
Groves, Gaston	25	Huntersville, Mecklenburg	51	Lenoir, Caldwell	24
Guilford, Guilford	32	Hutchinson, Mecklenburg	52	Lewisville, Forsyth	32
Guilford College, Guilford	32	J		Lexington, Davidson	32
H		Jackson, Northampton	33	Liberty, Randolph	24
Hahn, Mecklenburg	52	Jackson Park, Cabarrus	32	Lillington, Harnett	26
Halifax, Halifax	33	Jacksons Creek, Randolph	24	Lincolnton, Lincoln	24
Hamilton Lakes, Guilford	14	Jacksonville, Onslow	41	Linden, Cumberland	40
Hamlet, Richmond	24	James Mill, Pitt	31	Littleton, Halifax & Warren	33
Hamtown, Guilford	14	Jamestown, Guilford	32	Longhurst, Person	24
Hanes, Forsyth	18	Jefferson, Ashe	24	Longview, Catawba	24
Hardins, Gaston	25	Jonesville, Yadkin	24	Longwood Park, Richmond	24
Harkers Island, Carteret	33	Joyland, Durham	13	Louisburg, Franklin	33
Harrisburg, Cabarrus	32	Juno, Buncombe	32	Lowell, Gaston	25
Haw Creek, Buncombe	11	Jupiter, Buncombe	32	Lucama, Wilson	33
Haw River, Alamance	32	K		Lucia, Gaston	25
Hayesville, Clay	24	Kannapolis, Cabarrus & Rowan	32	Lumberton, Robeson	26
Hazelwood, Haywood	24	Kenly, Johnston	26	Luthers, Buncombe	11
Henderson, Vance	33	Kernersville, Forsyth	32		
Hendersonville, Henderson	24				

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
M		M		P	
McAdenville, Gaston	25	Mount Olive, Wayne	47	Paw Creek, Mecklenburg	52
McCullers, Wake	16	Mount Pleasant, Cabarrus.....	24	Pembroke, Robeson	26
Maccliesfield, Edgecombe	33	Mount View, Gaston	25	Pharrs Mill, Cabarrus	32
Macedonia, Wake	16	Murfreesboro, Hertford	33	Phillipsville, Haywood	24
Madison, Rockingham	24	Murphy, Cherokee.....	24	Pikeville, Wayne	47
Maiden, Catawba	24	Myrtle Hill, Cumberland.....	40	Pilot Mountain, Surry	24
Majolica, Rowan.....	32	N		Pinehurst, Moore	24
Manchester, Cumberland.....	40	Nashville, Nash	33	Pinetops, Edgecombe	33
Marion, McDowell	24	Navassa, Brunswick.....	17	Pineville, Mecklenburg.....	52
Marshall, Madison.....	24	Neuse, Wake.....	16	Pinkney, Gaston	25
Mars Hill, Madison	24	New Bern, Craven	43	Pinoca, Mecklenburg	52
Marshville, Union	24	New Bridge, Buncombe.....	11	Pioneer Mills, Cabarrus	32
Matthews, Mecklenburg.....	52	Newel, Mecklenburg.....	52	Pittsboro, Chatham.....	24
Maxton, Robeson.....	26	Newfound, Buncombe	32	Pleasant Garden, Guilford	32
Mayodan, Rockingham	24	Newland, Avery	24	Plymouth, Washington.....	33
Mebane, Alamance & Orange.....	32	New Leaksville, Rockingham	24	Pomona, Guilford.....	14
Method, Wake.....	16	Newton, Catawba	24	Pope Air Force Base, Cumberland.....	40
Middlesex, Nash	33	North Belmont, Gaston.....	25	R	
Midway Park, Onslow	41	North Durham, Durham.....	13	Raeford, Hoke	26
Milan, Cumberland.....	40	North Wilkesboro, Wilkes	24	Ragan, Gaston	25
Milburnie, Wake	16	Norwood, Stanly.....	24	Raleigh, Wake	16
Millbrook, Wake	16	O		Ramseur, Randolph.....	24
Mocksville, Davie	24	Oakdale, Wake.....	16	Randleman, Randolph.....	24
Monroe, Union	24	Oak Grove, Durham	13	Ranlo, Gaston.....	25
Montreat, Buncombe.....	32	Oakhurst, Mecklenburg	52	Red Springs, Robeson	26
Mooresville, Iredell.....	24	Oakley, Buncombe.....	11	Redwood, Durham.....	13
Morehead City, Carteret.....	33	Oak Ridge, Guilford.....	32	Reidsville, Rockingham	24
Morganton, Burke	24	Ogburntown, Forsyth.....	18	Reynolda, Forsyth	18
Morrisville, Wake.....	31	Oldtown, Forsyth	18	Richmond Hill, Alamance	32
Mountain Island, Gaston	25	Ossipee, Alamance	32	Ridge, Gaston.....	25
Mount Airy, Surry	24	Oteen, Buncombe	11	Ridgecrest, Buncombe	32
Mount Gilead, Cabarrus.....	32	Owens, Cumberland.....	40	Ridgeview, Mecklenburg	52
Mount Gilead, Montgomery.....	24	Oxford, Grantville	24	Roanoke Rapids, Halifax	33
Mount Holly, Gaston	25			Robbins, Moore	24
				Robbinsville, Graham	24

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
R		S		T	
Robersonville, Martin	33	Slocomb, Cumberland.....	40	Tabor City, Columbus.....	26
Roberta Mills, Cabarrus	32	Smithfield, Johnston.....	26	Tarboro, Edgecombe.....	33
Rockingham, Richmond.....	24	Smyre, Gaston	25	Taylorsville, Alexander	24
Rockwell, Rowan	24	Snow Hill, Greene	33	Terra Cotta, Guilford.....	32
Rocky Mount, Edgecombe & Nash.....	31	Southern Pines, Moore.....	24	Thomasville, Davidson	32
Rocky Ridge, Cabarrus.....	32	South Fayetteville, Cumberland	40	Thrift, Mecklenburg.....	52
Rocky River, Cabarrus.....	32	South Gastonia, Gaston.....	25	Tiretown, Forsyth.....	18
Robesville, Wake	31	Southmont, Davidson	24	Toast, Surry	24
Roseboro, Sampson	33	Southport, Brunswick	26	Tokay, Cumberland	40
Roslin, Cumberland	40	South Raleigh, Wake.....	16	Trenton, Jones.....	33
Rougmont, Durham.....	32	South River, Rowan	32	Trinity, Randolph	32
Rowland, Robeson.....	26	South Rosemary, Halifax.....	33	Troy, Montgomery	24
Roxboro, Person.....	24	Sparta, Alleghany.....	24	Tryon, Polk	24
Rural Hall, Forsyth	32	Spencer, Rowan.....	32		
Rutherfordton, Rutherford	24	Spencer Mountain, Gaston.....	25	V	
		Spindale, Rutherford	24	Valdese, Burke	24
S		Spray, Rockingham.....	24	Valmead, Caldwell.....	24
Saint Pauls, Robeson	26	Spring Hope, Nash.....	33	Victory, Cumberland	40
Salisbury, Rowan	32	Spring Lake, Cumberland.....	40	Victory, Gaston.....	25
Sanford, Lee	26	Spruce Pine, Mitchell.....	24		
Saratoga, Wilson.....	33	Stanley, Gaston.....	25	W	
Saxapahaw, Alamance	24	Stantonsburg, Wilson	33	Wade, Cumberland.....	40
Scotland Neck, Halifax.....	33	Statesville, Iredell	24	Wadesboro, Anson	24
Selma, Johnston	26	Staton, Pitt.....	31	Wake Forest, Wake	31
Selwyn Park, Mecklenburg	52	Stedman, Cumberland	26	Walkertown, Forsyth.....	18
Seymour Johnson A.F.B., Wayne.....	47	Stokesdale, Guilford.....	32	Wallace, Duplin.....	33
Shallotte, Brunswick.....	26	Stony Point, Alexander.....	24	Walnut Cove, Stokes	24
Sharpsburg, Edgecombe, Nash & Wilson	31	Summerfield, Guilford.....	32	Warrenton, Warren	33
Shaws, Cumberland.....	40	Sunnyside, Gaston.....	25	Warsaw, Duplin	33
Shelby, Cleveland	24	Swannanoa, Buncombe	32	Washington, Beaufort	33
Shiloh, Buncombe.....	11	Swanquarter, Hyde	33	Waynesville, Haywood	24
Siler City, Chatham.....	24	Sweepsonville, Alamance	24	Weaverville, Buncombe.....	32
Skyland, Buncombe.....	11	Sylva, Jackson	24	Welcome, Davidson.....	32
				Weldon, Halifax	33
				Wendell, Wake	31
				Wentworth, Rockingham	24
				Westend, Guilford.....	15
				Westover, Wake	16

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
W		W		Y	
Whitakers, Edgecombe & Nash	33	Windsor, Bertie.....	33	Yadkin Junction, Rowan	32
Whiteville, Columbus	26	Winnabow, Brunswick	26	Yadkinville, Yadkin	24
Whitnel, Caldwell	24	Windsteads Chapel, Nash.....	31	Yanceyville, Caswell.....	24
Wilders Grove, Wake	16	Winston-Salem, Forsyth	18	Yost, Rowan	32
Wilkesboro, Wilkes.....	24	Winterville, Pitt	33	Youngs Springs, Wilson	31
Williamston, Martin.....	33	Woodburn, Brunswick	17	Z	
Wilmington, New Hanover	17	Woodfin, Buncombe	11	Zebulon, Wake	31
Wilson, Wilson	31	Worthville, Randolph	24		

NOTE: Refer to an atlas or map for places not listed.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
AVERAGE NUMBER OF CLAIMS FOR LATEST TWO ACCIDENT YEARS

OTHER-THAN-CLEAN RISK CEDED LIABILITY

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2005	14,032	34,424	7,111
12/31/2006	13,725	33,582	6,880
Average	13,879	34,003	6,996

Claims are developed.

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES
LIABILITY COVERAGES

OTHER-THAN-CLEAN RISK CEDED BUSINESS ONLY

	(1) Earned Premiums at Other-Than-Clean Risk Rates	(2) Current Level To Actual Level Factor	(3) Expense Factor	(4) General and Other Acquisition Expenses
Year ending 12/31/2006				
BI	143,988,309	0.9869	15.6%	22,167,922
PD	115,439,563	1.0888	15.6%	19,607,733
MP	13,207,404	0.9107	15.6%	1,876,365
Year ending 12/31/2005				
BI	142,360,180	1.0577	13.4%	20,176,965
PD	114,555,856	1.0659	13.4%	16,362,082
MP	12,947,395	1.0890	13.4%	1,889,362
Year ending 12/31/2004				
BI	137,512,773	0.9724	14.2%	18,987,874
PD	111,170,728	1.0248	14.2%	16,177,742
MP	12,226,503	0.9104	14.2%	1,580,603

Notes:

- (1) Other-Than-Clean Risk ceded business at present Facility rates.
- (2) Factor to adjust the earned premium at manual rates to the rate level in effect at the time the premium was written.
- (3) Sum of the general expense and other acquisition expense percentages shown on page F-152. Ratio is to manual premiums.
- (4) = (1) x (2) x (3)

NORTH CAROLINA

PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
1997	25,670	1,850,184	1,213,426	3,063,610	0.8%
1998	26,860	1,880,844	1,330,395	3,211,239	0.8%
1999	32,058	1,873,493	1,427,542	3,301,035	1.0%
2000	32,936	1,758,477	1,484,735	3,243,212	1.0%
2001	38,858	1,893,769	1,571,089	3,464,858	1.1%
2002	36,805	1,985,194	1,743,154	3,728,348	1.0%
2003	44,105	2,154,552	1,761,240	3,915,792	1.1%
2004	42,329	2,141,604	1,715,924	3,857,528	1.1%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
2006	50,874	2,371,902	1,839,600	4,211,502	1.2%
Latest 5 years:	222,213	10,924,535	8,940,038	19,864,573	1.1%

(in thousands)

PRE-FILED TESTIMONY
OF
RAYMOND F. EVANS, JR., CPCU

NONFLEET PRIVATE PASSENGER MOTOR VEHICLE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY

June 2008

- Q. Would you state your full name and address?
- A. Raymond F. Evans, Jr., CPCU. My business address is 5401 Six Forks Road, Raleigh, North Carolina 27609.
- Q. Are you employed by the North Carolina Reinsurance Facility ("Facility")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. How long have you been employed by the Facility?
- A. Since September, 2000.
- Q. What is the Facility's function with respect to rates for automobile insurance?
- A. The Facility promulgates rules and rates for private passenger nonfleet automobile liability insurance written in North Carolina that is ceded to the Facility.
- Q. Would you summarize your educational background?
- A. I graduated from Ohio State University with a Bachelor of Science Degree in Accounting. I am also a Chartered Property and Casualty Underwriter.
- Q. What was your work experience after graduation and prior to beginning work for the Facility?
- A. From March 1966 to August 2000, I worked in various capacities with the State Automobile Insurance Companies.
- Q. Can you identify Exhibits RF-1 through RF-8?

- A. Yes. This is the 2008 filing (the "Filing") submitted by the Facility to the Honorable James E. Long, Commissioner of Insurance, with respect to revised nonfleet private passenger motor vehicle insurance rates in North Carolina for other-than-clean ceded business. By that I mean that the rates promulgated in this filing are for use with risks ceded to the Facility who are not clean risks, as clean risks are defined in N.C.G.S. 58-37-35(1).
- Q. Do you know how the expense data underlying the Filing was compiled?
- A. Yes. The underwriting expense provisions included in the Filing were derived on the basis of a special call for expense experience that is issued on an annual basis by the North Carolina Rate Bureau ("Bureau") to all member companies of the Bureau and the Facility. The responses received from that special call were compiled, checked by the Bureau and the Facility and furnished to Insurance Services Office ("ISO") for incorporation into the Filing. The expense data were checked, reconciled and edited by the Bureau and the Facility before they were sent to ISO for use in the Filing.
- Q. Can you identify the document (Exhibit RF-2) entitled the North Carolina Personal Auto Manual?
- A. Yes. The North Carolina Personal Auto Manual is a manual of the rules, rates and classifications used to write nonfleet private passenger automobile insurance in North Carolina. It covers both ceded and voluntary business. This manual and any approved amendments are on file with the North Carolina Department of Insurance and a copy is maintained at the offices of the Facility.
- Q. Has the Facility furnished to ISO, for use in this Filing, information appearing in the annual statements and the Insurance Expense Exhibits of its member companies?
- A. Yes.
- Q. How was that information obtained by the Facility?
- A. Information from the Annual Statements and the Insurance Expense Exhibits was obtained by Bureau Staff from Annual Statements and Insurance Expense Exhibits provided by the companies to the Bureau. The Annual Statements and the Insurance Expense Exhibits are part of the official records maintained at the Department of Insurance.

- Q. Was the special call, annual statement and insurance expense exhibit information which was furnished to ISO in connection with the Filing correct and accurate to the best of your knowledge, information and belief?
- A. Yes.
- Q. Does the Facility have actuaries on its staff?
- A. No.
- Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Facility obtain that expertise?
- A. Actuarial expertise was obtained from ISO and from the members of the Bureau's Automobile Committee. The Automobile Committee reviews the data underlying the Filing and makes recommendations to the Board of Governors of the Facility as to the items contained in the Filing, and many of the company representatives on the Automobile Committee are actuaries. ISO is retained by the Facility to provide actuarial services to the Facility for, among numerous other things, preparation of this Filing.
- Q. What is the proposed effective date of the rates in the Filing?
- A. The proposed rule of application provides that the new rates will apply to all policies becoming effective on or after October 1, 2008.
- Q. Does the Filing include, to the extent available, the information to be furnished in connection with filings under Article 37 of Chapter 58 of the General Statutes?
- A. Yes. Those data that were available have been submitted to the Commissioner as part of the Filing. As shown and explained in that submission, some data were not collected or, if collected, were not retrievable from the statistical data in the form requested. The individual circumstances with respect to such data are explained in the submission.
- Q. Does that conclude your prefiled testimony?
- A. Yes.

**PREFILED TESTIMONY
OF
PATRICK B. WOODS**

**2008 PRIVATE PASSENGER NONFLEET
AUTOMOBILE INSURANCE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY**

- Q. Please state your name and business address.
- A. My name is Patrick B. Woods. My business address is Insurance Services Office, 545 Washington Boulevard, Jersey City, New Jersey.
- Q. By whom are you employed?
- A. I am employed by Insurance Services Office ("ISO") and have been employed by ISO since May 10, 1976.
- Q. What are your responsibilities at ISO?
- A. I am generally responsible for managing and overseeing the operations of the Personal Automobile Actuarial Division at ISO. The Personal Automobile Actuarial Division is responsible for ISO's total ratemaking operation as it pertains to private passenger automobile insurance. We are generally responsible for doing everything that pertains to ratemaking for the personal automobile coverages including reviewing experience, making filings, analysis of classification plans, etc. ISO is involved in ratemaking for the personal automobile coverages in general in 49 of the 50 states plus the District of Columbia and Puerto Rico, as well as ISO's ongoing work for the Government of Israel for the Compulsory Auto Coverages.
- Q. What is your employment background?
- A. I have been employed by ISO for over thirty-two years in various actuarial positions in the Personal Lines area. I was hired as an Actuarial Assistant in the Personal Property Actuarial Division in 1976. I was promoted to Assistant Actuarial Supervisor in Personal Property. I was later transferred to Private Passenger Actuarial and promoted to Actuarial Supervisor. At my next promotion I was named as Assistant Actuary in ISO's Data Quality Division. While in this area, I worked exclusively on New York's Special Examination of ISO and NAI in their role as statistical agents for personal automobile insurance. Upon completion of this assignment, I joined the Personal Lines Actuarial Division. In January of 1987, I was named Actuary and Manager of the Personal Lines Actuarial Division. In 2003, because of the growth of our international commitment, ISO split the Personal Lines Actuarial Division into two Divisions—Personal Automobile Actuarial and Personal Property Actuarial. I am

presently Assistant Vice President and Actuary in charge of the Personal Automobile Actuarial Division.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Science degree and a Master of Arts degree in mathematics from St. John's University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am currently vice-chair of the CAS Prizes and Awards Administration Committee. I have been a member of the Program Planning Committee, the Professional Education Policy Committee, and I have served on the CAS Committee on Principles, the CAS Examination Committee, the CAS Risk Classification Committee and on the CAS Editorial Committee. I have also served as a member of the American Academy of Actuaries Committee on Property and Liability Issues. I am currently a chair of the Casualty Committee of the Actuarial Standards Board, and I previously served as chairman of the Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board.

Q. Are you familiar with automobile ratemaking in other states?

A. As part of my duties at ISO, I know the data collection and ratemaking procedures in use in states other than North Carolina. I have worked on rate filings for virtually every state in which ISO has jurisdiction. I am responsible at the present time for either preparing or supervising the preparation of filings for 49 of the states and the District of Columbia and Puerto Rico.

Q. What work have you performed with respect to the Reinsurance Facility's 2008 automobile rate filing in North Carolina for other than clean ceded private passenger risks. (the "Filing")

A. Through ISO I have been involved in the preparation of the 2008 private passenger automobile rate filing for other-than-clean risks ceded to the Reinsurance Facility in two respects. First, ISO is one of three statistical organizations that collect rate-related statistical data from the companies writing automobile insurance in North Carolina. The Independent Statistical Service ("ISS") and the National Independent Statistical Service ("NISS") are the other statistical organizations that collect such data. The three statistical organizations subject the data that are reported to them to a series of verification edits and then consolidate the data. The data which PCI and NISS collect are sent to ISO and consolidated with the ISO-collected data in the proper format so that they can be reviewed to determine whether rates are adequate or inadequate. ISO then produces the hard-copy exhibits of the combined data in a format and detail necessary for ratemaking.

Second, ISO provides consulting actuarial services directly to the Reinsurance Facility. I have been directly involved in this aspect of the Reinsurance Facility's private passenger automobile insurance rate filings for a number of years. As in the past, my staff and I

compiled the ratemaking data to be reviewed by the Automobile Committee in preparation of the filing.

Under my direction, my staff put together the vast majority of the data and information contained in Exhibit RF-1.

Finally, I have reviewed the filed rates to determine if they are calculated in accordance with the Casualty Actuarial Society's (CAS) Statement of Principles Regarding Property and Casualty Insurance Ratemaking. In accordance with Actuarial Standard of Practice No. 17 Expert Testimony by Actuaries, I conducted my review in terms of reasonableness rather than solely in terms of whether there is precise agreement on each issue. In addition, I applied the rate standards set forth in North Carolina General Statute 58-37-35.

Q. Mr. Woods, could you describe generally the steps taken to ensure that the statistical data contained in this filing are reasonable and reliable for ratemaking purposes?

A. Yes. The data received from the companies are subject to various edits which check for the validity of the coded information and the appropriateness of the relationship of the codes to each other on each record. After the data have been edited at the transaction level, they are subjected to a set of distributional edits which check that the distribution of the data is consistent with a company's prior submissions. The data are also balanced on a company-by-company basis to page 15 of the Annual Statement. After all these checks and reviews have been made on a company basis, the aggregate data are reviewed for overall reasonableness. This includes checking to see that the changes observed in various summary totals are consistent with known activities and other compiled information, as well as previous years' statistics.

Q. Would you describe the data utilized in Exhibit RF-1?

A. The ratemaking experience reflected in Exhibit RF-1 is, in general, the data which has been supplied by the individual insurance companies to the statistical organizations and consolidated into the appropriate format and detail for ratemaking as described above. The supporting data for the rate level changes for bodily injury liability, property damage liability, and medical payments coverages are the data from the other-than-clean risks reinsured by the Facility. These data are contained in Section C. Three years of exposure, loss and expense experience are displayed for each of the coverages in Section C. The three years are the years ended December 31, 2004, December 31, 2005, and December 31, 2006. As in the past, the Automobile Committee has acted as an advisory committee to the Reinsurance Facility on this filing. After consideration of the three years of data, the Committee concluded, based on standard actuarial credibility considerations, and balancing the issue of stability versus responsiveness, that the exposure distributions and the losses and expenses attributable to these exposures for the year ended December 31, 2006 were fully credible and could be given 100% credibility weighting for calculating anticipated rate level needs. Accordingly, the mathematical calculations underlying the indicated average rate level changes and filed base rate changes are based on the exposure distribution, loss

experience and expense experience for the year ended December 31, 2006. This is the same weighting procedure that has been utilized by the Reinsurance Facility in previous private passenger automobile insurance rate filings.

The loss experience used in the filing for the liability and medical payments coverages is what we call "accident year" experience. I can explain that best by giving you an example. The losses for the accident year ended December 31, 2006 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2006. If an accident occurred December 29, 2005 and resulted in either a loss being paid or a reserve being established after January 1, 2006, that loss would be a part of the accident year losses for the period ended December 31, 2005. The test for breaking losses down into accident years is the date the accident occurred.

Q. Does the filing contain an exhibit which shows the criteria for determining the credibility to be assigned to a single year's data?

A. Yes. The credibility table at the top of page D-21 of the filing shows the number of claims which are necessary for assigning full credibility to a single year's data. It also shows the number of claims that would be necessary for assigning partial credibility. These are the criteria which are currently used by ISO on a countrywide basis. These credibility standards are based on a formula described in the paper "On the Credibility of the Pure Premium" by Mayerson, Jones and Bowers. This paper was published in the Proceedings of the Casualty Actuarial Society for 1968, Volume LV. The full standard of 4,000 claims is based on the criterion that the observed (actual) pure premium should be within 5% of the expected pure premium with a probability of 95%. In simpler terms, we are using a P (probability) value of 95%, and a k (tolerance) value of plus or minus 5%.

The chart shows that if the average number of claims is 4,000 or greater, 100% credibility should be assigned to the latest year's data, with zero weight being assigned to data for the earlier years. The average number of claims is the annual average for the two latest accident years. If the average number of claims for a particular coverage over a two year period were 3,700, that would mean that you should use both years' experience in calculating rates. In that example, ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

Q. Is this criteria for determining the accident year weights applied to all coverages?

A. No, it is not applied in the determination of the excess limits indication for bodily injury liability and it is not applied in the determination of the motorcycle indications. A three year experience period is used for the excess bodily injury liability because of the potential variability in the year-to-year results for higher layers of coverage. For the motorcycle indications, the experience used is financial data collected by the Rate Bureau, and no claim count by year is available.

Q. Page D-21 also has a table showing the factors for territorial credibility. Please explain that.

- A. Once the statewide rate change is determined, it is necessary to apply the overall change to each of the territories in the state. The territory credibility table is used to determine how much credibility is assigned to the three-year experience for a particular territory. The reason for the difference in the number of claims as between statewide credibility and territorial credibility is that for the development of rates by territory a wider confidence interval is permitted. We use a 90% confidence interval for territory purposes, but a stricter 95% confidence interval for the statewide rate level calculation.
- Q. Please explain the trend credibility table in the lower right-hand portion of page D-21.
- A. In some states the number of claims is so small that full credibility should not be assigned to the calculated trends. That is clearly not the case in North Carolina. The trend credibility table shows that 10,623 claims are necessary for full credibility for trends. The number of claims in North Carolina far exceeds that standard. Therefore it is appropriate for the bodily injury, property damage and medical payments coverages to give the trend calculations full credibility. This does not mean that the past trends will necessarily continue into the future. That is something which we have to consider and evaluate carefully. It does mean, however, that we can be confident that the trend calculations are accurate representations of what did in fact occur during the period covered by the trend calculations.
- Q. As part of your testimony, have you prepared an exhibit that shows the average number of claims over the last two accident years for each of the coverages in the filing?
- A. Yes. Exhibit RF-3 shows the average number of claims for the accident years ended December 31, 2005 and December 31, 2006. It shows that for each of the coverages the number of claims was well in excess of the 4,000 which is the standard for assigning full credibility to the latest year. Accordingly, for the purpose of calculating the statewide rate indication for each of the coverages, it is actuarially sound and reasonable to give 100% credibility weight to the data for the accident year ended December 31, 2006.
- Q. Has the Reinsurance Facility made any adjustment in the filing to reflect seat belt usage in North Carolina over the last few years?
- A. No, the Reinsurance Facility has not made an explicit adjustment to the otherwise indicated rate levels because the program in North Carolina directed at increasing the awareness of the law regarding the use of seat belts was put in place in late 1993, and its effects are fully reflected in the 2004, 2005 and 2006 data. In addition, the usage percentage subsequent to the experience period is similar to the usage in the experience period.

In addition, the recently enacted law requiring all occupants to be belted (warnings only effective December 1, 2006 and \$10 penalty effective July 1, 2007) was discussed by the Auto Committee. Since the trend data were through September, 2007, a portion of any effect of the law change is already reflected in the data. Further, given that North Carolina already had a child restraint law in effect and the new law would affect only adults over the

age of 16 in the rear seat, any additional impact on exposure would be small. Therefore, no additional adjustment was necessary in the indicated rate levels.

Q. Has the Reinsurance Facility given any consideration to the impact of the graduated license program?

A. Yes, the Reinsurance Facility has again considered the impact of the graduated license program. The Committee noted that the program was effective in late 1997. This means that all three of the years of experience considered by the Auto Committee were fully reflective of the graduated license program.

Q. Mr. Woods, please turn to page C-1 of Exhibit RF-1. Would you explain what that page is.

A. Page C-1 is what we call a statewide indicated average rate level calculation for the liability coverages for North Carolina. Although technically the medical payments coverage is not a liability coverage, for ratemaking purposes we generally treat it as such. Therefore, if I refer in my testimony to the liability coverages, it includes not only bodily injury and property damage but also the medical payments coverage unless I specify otherwise. Page C-1 is a determination of what the indicated average rate levels are for bodily injury, property damage, and medical payments coverages. The data shown are for other than clean ceded risks.

Q. The column on page C-1 for bodily injury contains a reference to "30/60". What does that mean?

A. These are the minimum bodily injury liability policy limits which are needed to comply with the financial responsibility laws in North Carolina. Here we are calculating the indicated average rate that is needed for this "basic limits" coverage. We assume that losses are "capped" at these basic limits. What this means is that the indicated average rate we get from the calculation is the actuarially sound average rate assuming everyone in North Carolina purchased basic limits coverage. There is a separate procedure which is followed to determine what the additional premium should be for those people who buy higher limits, and the results of that procedure are incorporated at the end of the calculation on page C-1 in order to get the total limits premium. This use of "basic limits" losses for the purpose of determining the statewide indicated average rate is the proper procedure to be followed. As far as I am aware, the use of basic limits data is universally accepted. To illustrate how it works, assume that a person bought a policy with 100/300 bodily injury policy limits and had an accident which caused his insurance company to make a payment to a claimant of \$75,000. The losses which are shown on line 1 would include only \$30,000 as opposed to the \$75,000 total loss.

Q. Referring to line 1 on page C-1 under the bodily injury column, what are "reported incurred losses and allocated loss adjustment expense"?

- A. The reported incurred losses on line 1 are the losses resulting from accidents which occurred during the one year period ending December 31, 2006. The figure includes both losses which have already been paid and losses which are not yet paid and are represented by outstanding claim reserves. The figure also includes allocated loss adjustment expenses. Allocated loss adjustment expenses are expenses which relate to a specific claim. For example, the fees which an insurance company pays to attorneys to defend a claim would be classified as allocated loss adjustment expenses. On the other hand, adjustment-related expenses which cannot be identified to a specific claim are called unallocated loss adjustment expenses. An example of this would be the salaries and overhead associated with operating a company's in-house claims department. Allocated loss adjustment expenses are included in line 1; unallocated loss adjustment expenses are not.
- Q. Have the losses and allocated loss adjustment expenses as reported by the companies been adjusted in any way to get to the number in line 1?
- A. Yes. As I mentioned earlier, ratemaking is done on a 30/60 limits basis. For that reason we adjust the reported losses by eliminating those losses which exceed the amount which would have been paid had the policy limits been 30/60.
- Q. Would you please explain lines 2 and 3 on page C-1?
- A. Yes. Those lines reflect the incorporation of loss development into the calculation. Line 2 shows the loss development factor, and line 3 is the result of multiplying the incurred losses and allocated loss adjustment expenses in line 1 by that loss development factor. As I mentioned a moment ago, the losses on line 1 of page C-1 do not include losses which are not yet reported. By definition, since they are not yet reported, we cannot simply take a reported number and add it in. They are included by what is known as an adjustment for IBNR (incurred but not reported) losses. This is accomplished through the use of loss development factors. The losses as they are reported to us cover all accidents which occur during the one year period ended December 31, 2006. When they are reported to us they are evaluated as of March 31, 2007. As of March 31, 2007, some of the losses have already been paid and some have not, i.e., they are represented by loss reserves. The loss reserves, of course, are estimates of what will ultimately be paid on these outstanding claims. Since we want the estimates to be as accurate as possible, we look at history to see how losses have changed, or "developed," in the past from the time they were initially reported to the time they were ultimately paid. For example, if we look back and see that historically there has been a 1% increase in the amount of losses from the time they were initially reported as reserves until the time they were ultimately paid, we would logically assume that the same development pattern will hold true for losses incurred during the year ended December 31, 2006. Accordingly we would make an adjustment by increasing the losses as they are initially reported to us by 1%.
- Q. What causes losses to change or develop as you have described?

A. The losses which are paid as of the date of the initial reporting, of course, do not change. As to the reserve portion of the losses, however, changes would typically result from the fact that the ultimate loss payments are more or less than estimated at the time of the initial report. Another factor would be the late reporting of claims. For example, if an accident occurred on December 28 of any given year and for some reason was not timely reported to the company, it might very well be that the losses as initially reported would not include any provision for that particular claim. By the time of the next year's evaluation, however, the claim would have worked its way into the system and the total loss would include either the paid amount or the reserved amount for that particular claim. This would cause an upward development in the losses as initially reported.

Q. Will you please refer to page D-11 of RF-1 and explain how the loss development factor for bodily injury in the filing was calculated?

A. Yes. In the top section of that page the combined voluntary and ceded losses evaluated as of 15, 27, 39, 51 and 63 months for the accident years for which data are available are shown. The first entry for the accident year ended December 31, 2002 is \$502,055,673. This is in the column which is labeled "15 Months." This is the first evaluation of the losses caused by accidents which occurred during the year which ended December 31, 2002. The evaluation was made as of March 31, 2003 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2004), the losses caused by accidents which occurred during the year ended December 31, 2002 had grown to \$533,149,260. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$502 million to \$533 million represents a growth in losses, or a positive development, of 6.2% (1.062) as shown in the column on the lower portion of the page labeled "15 to 27 Mos." As shown on page D-11, we have looked at the average development from 15 months to 27 months over the period from accident year 2003 to 2005 and over the latest five years. The average development for the three years was 1.068 or 6.8%, and the average development for the latest five years was 1.066 or 6.6%. The choice to exclude the 15 to 27 month factor for the 2003 year was made because one large company had made some changes in how reserves were set for accident year 2003 and the Automobile Committee felt that the use of that data in a three year average would bias the factor. As in the past, the Automobile Committee decided to use the factors based on the three year averages. I believe that such factors provide the best balance of stability and responsiveness.

Q. Does page D-11 also show development figures for periods later than 27 months?

A. Yes. Studies have shown that for the bodily injury liability coverage virtually all losses have been paid by the time of the evaluation at 63 months after the beginning of an accident year. For that reason we also calculate loss development factors for the periods from 27 months to 39 months, 39 months to 51 months and 51 months to 63 months. For example, by the time of the 39 month evaluation the losses for the accident year ended December 31, 2002 had grown to \$548,869,443. This represents a change of 2.9% in the losses for the same accident year evaluated as of 27 months. The average development over the period 27

months to 39 months for the three most recent years for which the data are available was 1.033 or 3.3%.

Q. Are the data which were used to determine loss development for later periods also shown on page D-11?

A. Yes. The figures showing how losses developed from the 39-month evaluation to the 51-month evaluation and then the 63-month evaluation are also shown on that page. The development factors were calculated in the same manner I just described for the "15 to 27" and "27 to 39" development factors. As you can see on the page, we have had to use earlier accident years to get the later evaluations. This is because we do not yet know what the ultimate developments will be on the later accident years.

Q. Will you explain how the loss development factor used to determine the ultimate payment value of the accident year ended December 31, 2006 losses was determined?

A. Yes. The development factors for each of the applicable periods, as shown on page D-11, are:

<u>Development Period</u>	<u>Factor</u>
51 to 63	1.002
39 to 51	1.014
27 to 39	1.033
15 to 27	1.068

If you multiply all of these factors, rounding at each step, you will get the average development from the initial evaluation at 15 months to the ultimate payment value at 63 months. The result of that multiplication is 1.121 or 12.1% total development. Since losses have historically increased or developed by 12.1% from the time they are initially reported to the time they are paid, the assumption is that the losses for the accident year ended December 31, 2006 will do likewise. Accordingly, the developed losses shown in the filing for the accident year ended December 31, 2006 include a 12.1% upward adjustment for loss development.

Q. Is this the same loss development procedure that has been employed in previous automobile insurance rate filings in North Carolina?

A. Yes.

Q. Please refer to line 5 of page C-1. With reference to the column headed "Bodily Injury," please tell us what the figure \$12,451,146 represents.

A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2006. As I explained earlier, unallocated loss

adjustment expenses are those loss adjustment expenses that cannot be attributed on an accident-by-accident basis. That number is the result of multiplying the developed losses and ALAE in line 3 by the factor of 0.127 in line 4.

Q. Have you reviewed the compilation of the expense data?

A. Yes, I have. When ISO gets the expense information, we routinely review it relative to earlier years for consistency.

Q. Please refer to page C-1, line 6 entitled "General and Other Acquisition Expenses." With reference to the figure \$22,167,922 shown under the column headed "Bodily Injury," what does that figure represent?

A. These are the general and other acquisition expenses associated with the calendar year ended December 31, 2006. These are the so-called fixed expenses for that year. They are fixed in that they do not vary as a direct function of the premium dollar. For example, employee salaries (other than claims employees) would be classified as either general expenses or other acquisition expenses. Those salaries are fixed in the sense that they do not vary directly as a function of premium. Such things as commissions and premium taxes, on the other hand, are examples of expenses which do rise or fall directly with premium. Line 6 of page C-1 represents the expenses (other than claims-related expenses) which are fixed in this sense.

The amounts shown on line 6 for each of the coverages are also derived from the most recent special call responses received by the Rate Bureau. The figures reported in response to the special call are total general expenses and total other acquisition expenses. It would not be appropriate to include the total figures actually reported since some of those expenses should be the "increased limits" portion of the total rates. Since what is calculated on page C-1 is the required premium needed for basic limits, we want to use only those fixed expenses which are attributable to the basic limits premium. As shown on page C-2 at footnote (c), the total limits fixed expenses were 7.3% for general expenses and 8.3% for other acquisition expenses, for a total of 15.6% of combined voluntary and ceded total limits manual earned premium for the period covered by the special call. By multiplying that percentage times the basic limits premium on a collected level for "non-clean risk" ceded business for policies associated with the year ended December 31, 2006, you get the total fixed expenses that are attributable to the basic limits coverage. This is shown on Exhibit RF-4.

Q. What is the assumed effective date which was used in the preparation of the present filing?

A. The filing was put together on the assumption that the revised rates will become effective October 1, 2008 for new and renewal business.

Q. Would you please explain line 7?

- A. The figure 436,247 in line 7 displays the earned exposures of other than clean risks ceded to the Facility for the Bodily Injury coverage for the year 2006. An earned exposure represents one car insured for one year. Thus, the 436,247 represents the number of cars that were provided with coverage during the year 2006. The earned exposures will serve as the denominator in the calculation of the projected values that will be used in calculating the required per risk premium.
- Q. Would you please explain lines 8 through 10?
- A. These lines are shown for general information purposes. The incurred claims in line 8 are multiplied by the claim development factor in line 9 to produce the number of developed claims in line 10.
- Q. Referring to page C-1, please explain what is meant by line 11 -- Average Annual Change in Losses and ALAE.
- A. What the Reinsurance Facility is doing in the filing is making rates to cover policies issued for new business and for renewals of existing business for other-than-clean ceded risks during the period October 1, 2008 through September 30, 2009. In order to do that, it is necessary to project the amount of losses which will be covered under policies issued during these periods. Since we know that losses change because of such things as changes in accident frequency and changes in injury and damage costs, it would not be appropriate to assume that the losses covered under 2008 and 2009 policies will be the same as the losses which are shown on line 3 for the accident year ended December 31, 2006. The purpose of line 11 is to trend the losses which are shown on line 3 to the anticipated level for 2008 and 2009 policies. Line 11 shows what is generally referred to as the trend factor. It is the anticipated annualized rate of change in losses. For the bodily injury liability coverage, the annual factor is 1.018 or 1.8% per year. These are referred to as "pure premium" trends. In order to apply that annual trend to policies to be written under the new rates, the trend is applied over a period of 3.03 years, as shown in line 13 on page C-1. Mathematically this is done by raising the factor of 1.018 to the 3.03 power. This gives you the total amount of the trend projection.
- Q. How were these trends determined?
- A. They were selected by the Automobile Committee based on its review and discussion of a variety of information. Much of the information they reviewed was provided by ISO. The primary data for this analysis are what we refer to as "internal" trend data. These are the cost and frequency data for all companies writing private passenger non-fleet automobile insurance in North Carolina, for which trend lines were determined for several different time intervals both on a linear and on an exponential basis in order to determine what the actual changes for both cost and frequency have been in the recent past. This information is included in the filing at pages F-125 through F-133.

Fast Track data were also provided. This is data from the so-called Fast Track Data System, a program administered under the auspices of the National Association of Insurance Commissioners ("NAIC"). This program was developed in the 1970's in response to a concern that the internal trend data were not produced currently enough to indicate the most up-to-date trends in accident frequency or severity. Fast Track data are collected, as the name implies, on a more expedited basis from among a number of the larger automobile insurance writers. There are a number of problems with Fast Track data. For instance, they do not include the trend data of all insurers and are not subjected to the verification procedures which are applied to the internal trend data. Further, the Fast Track data, which are also compiled on a calendar year basis, are somewhat biased due to the relative growth of participating companies and the share of the market in claims and exposures they represent. Nonetheless, they can be useful on some coverages as a tool to assist in making judgments about likely trends where they are more current than other available data. It should be noted that the Fast Track data used in this filing are the same Fast Track data supplied directly to the Commissioners by ISO, NISS and PCI. The Fast Track data and trend calculations are included in the filing at pages F-117 through F-124.

Q. Are the Fast Track data included in the Filing more current data than the internal trend data of the aggregate industry considered by the Automobile Committee?

A. No. Both the Fast Track data and the internal trend data were through 3rd quarter 2007.

Q. Was there any other trend information provided to the Automobile Committee?

A. In addition to the internal trend and the Fast Track trends, various external information was provided. This information included various government indices (such as the Consumer Price Indices for medical care, physician services and auto body work), statistics with respect to gasoline prices, and miles driven.

Q. Is there any one mathematical procedure which can be used to determine the average annual change in pure premium?

A. No, there is not. The determination of an average annual change based on trend curves will give an accurate calculation as to what the past trend has been. However, the trend numbers calculated in that fashion should be used as a prospective trend factor only to the extent that one anticipates that the past trends will continue into the future.

Q. Have you reviewed the trends used in the filing?

A. Yes. The Reinsurance Facility adopted for use in the filing the selections made by the Automobile Committee. Those are set out below:

COVERAGE	COST	FREQUENCY	PURE PREMIUM
Bodily Injury (B/L)	5.5%	-3.5%	1.8%
Bodily Injury (T/L)	6.0%	-	-
Property Damage	3.0%	-1.0%	2.0%
Medical Payments	1.5%	-2.0%	-0.5%

Q. Do you have an opinion with respect to the reasonableness of these trends?

A. Yes, based on my own review of the data, I do. I believe that the Automobile Committee and the Reinsurance Facility have been reasonable in their trend selections. By that I mean that they generally selected trends that were within my range of reasonableness.

For the Bodily Injury coverage, the Rate Bureau has selected a basic limits cost trend of 5.5% based on the fairly narrow range of the fitted annual rates of change. The 12 point, 9 point and 6 point fitted annual rates of change are within the range of 4.9% to 6.1%. The selection of 5.5% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends. The total limits cost trend factor selected was 6.0%. This is based upon the total limits cost trend data showing fitted changes of 5.6%, 7.4% and 7.7% for the 12 point, 9 point and 6 point fitted annual rates of change. These values support the selection of a 6.0% annual trend.

For Bodily Injury claim frequency, the Rate Bureau selected -3.5%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a relatively narrow range for the 12 point, 9 point and 6 point fits. The selection of -3.5% is consistent with this period of stability.

For the Property Damage coverage, the Rate Bureau selected a cost trend of 3.0% and a frequency trend -1.0%. The 3.0% selection for cost falls within the relatively narrow range of the shorter and longer term fits. The selection of the -1.0% frequency change is based on the moderation in Property Damage frequency decreases seen in the most recent data points.

For the Medical Payments coverage, the Rate Bureau selected a cost trend of +1.5%. This selection is based on the fact that the rates of change for this coverage over the longer term have been in this range when examining the 12 point and 15 point fitted changes. In addition, government forecasts for the rate of change for medical care will continue to increase at levels greater than that indicated by the Medical Payments severity changes. Most recent Consumer Price Index data shows these changes to have been about 4 to 4.5% for medical services both on the long term and the short term.

For Medical Payments frequency, the Rate Bureau selected a frequency trend of -2.0%. The annual rates of change for each of the longer-term fits displayed have been negative. The

selection of this change is based on consideration of a balancing of the long term trends and the moderation in the rate of decrease in frequency seen in the last 6 points.

Q. In making your evaluation of the Reinsurance Facility's trend selections, have you relied on any other data?

A. Yes, I have. I relied on the various CPI cost information, information on gasoline prices, and miles driven data. In looking at the trend data, my judgment and interpretation of the trend data were influenced by my awareness and analyses of these external data.

Q. Please refer to line 12 of page C-1 of Exhibit RF-1 and explain the purpose of that line.

A. The average annual change in expense cost of 3.1% represents the expected change in general expenses, other acquisition expenses and unallocated loss adjustment expenses. These expenses are treated as fixed expenses and do not vary in direct relationship to the actual premium dollars. These expenses represent salaries, overhead, rents and expenses that should vary according to general economic trends and not as a direct function of how premium increases or decreases. For example, commissions are calculated as a percent of premium. If the premium rate goes up, the dollars of commission go up. On the other hand, the salary paid to an employee in the Home Office, which is a part of general expenses and other acquisition expenses, is not tied to premium. Just because premium may go up 10% does not mean that the employee's salary will go up 10%. The salary will be influenced by general economic trends and not what the premium level is doing. That is why general expenses and other acquisition expenses are treated differently from those expenses that vary as a function of premium in this filing.

Q. Would you explain how the 3.1% factor in line 12 was determined?

A. The average annual change in expenses is based on analysis of the latest average annual change in the All Items CPI and the Compensation Cost Index. The data are shown on pages D-9 and D-10 of the filing. Based on an analysis of this data, a selected factor of 3.1% is reasonable as the various fits showed an annual rate of change around this value.

Q. How do you apply the average annual change in expenses set forth in line 12?

A. The procedures on how the average annual change in expenses is applied are described in footnotes (f) and (g) on page C-2. The expenses set forth on lines 5 and 6 are multiplied by the prospective trend factor to adjust the expenses for the projected future changes in expenses. The general and other acquisition expenses are trended to six months past the effective date and the unallocated loss adjustment expense is trended to the average date of loss for policies which will be written at the proposed rates.

Q. Will you explain line 16 on page C-1 entitled "Projected Losses and ALAE"?

A. The projected losses and allocated loss adjustment expenses of \$103,530,792 are the losses and allocated loss adjustment expenses set forth on line 3 multiplied by the total trend projection. This gives you the losses that we expect will be incurred under the revised rates.

Q. Line 13 on page C-1 and footnote (e) on page C-2 indicate that losses are trended for a period of 3.03 years. Will you explain how the 3.03 years of projection was calculated?

A. The incurred losses set forth on line 3 are the developed losses for the accident year ended December 31, 2006. These losses actually occurred during that time frame. The average date of loss of those accidents is the mid-point of that accident period or July 1, 2006. In order to adjust these losses to the future level expected to prevail under the proposed rates, you have to adjust them by the trend factor. The proposed effective date for purposes of the calculations in the filing is October 1, 2008. This means that policies will be written, assuming annual revisions, anywhere on average from October 1, 2008 through September 30, 2009. A policy written on the last day of that interval, September 30, 2009, assuming it is an annual policy, will expire on September 30, 2010. The period for which accidents will occur under these policies will be anywhere from October 1, 2008 through September 30, 2010. If you were to assume that all of the policies were annual policies, the average date of accident underlying the proposed rates would be the mid-point of that two-year period or October 1, 2009. If we were only talking about annual policies we would trend from the average date of accident underlying our base experience period, July 1, 2006, to October 1, 2009 - a period of 3.25 years. This would be the amount of the trend you would have to use in order to take your base losses and adjust them to the appropriate future level.

If you were to assume that all of the policies were six month policies, then a policy written on September 30, 2009 would expire on March 31, 2010. The period for which accidents will occur on these policies will be from October 1, 2008 through March 31, 2010. Thus the average date of accident underlying the proposed rates for 6 month policies would be the midpoint of that 18 month period, July 1, 2009.

In North Carolina, not all policies are annual policies. Most automobile policies in North Carolina are six-month policies (87% - see page D-4). Based on the "mix" of policy terms being written in North Carolina, the average date of loss will be July 12, 2009. Therefore, in order to adjust the base losses from July 1, 2006 level to July 12, 2009 level, it is necessary to apply the annual trend factors for a total period of 3.03 years.

Q. Will you explain the projected ULAE in line 17 on page C-1 of the filing?

A. These are the unallocated loss adjustment expenses in line 5 projected by the average annual change in expenses in line 12 to the average date of expense for policies issued under the proposed rates. These loss adjustment expenses have to be adjusted for the same 3.03 year period since loss adjustment expenses occur at approximately the same time that losses occur.

- Q. Will you explain line 18 entitled "Projected Losses and LAE per exposure"?
- A. What line 18 shows is the anticipated average cost per insured vehicle for losses and all loss adjustment expenses. The value is calculated by adding the projected losses and ALAE in line 16 and the projected ULAE in line 17 and then dividing the total by the earned exposures in line 7.
- Q. Will you explain line 19 entitled "Projected G & OA Expenses"?
- A. As shown in footnote (g) on page C-2, projected general and other acquisition expenses are the general and other acquisition expenses in line 6 projected by the average annual change in expense in line 12. The projected period of 2.75 years is utilized because general and other acquisition expenses are generally incurred at the time a policy is written as opposed to the date that a loss occurs. Therefore, the average date of expense is different from the average date of expense utilized for loss adjustment expenses. The trend period is from the midpoint of the year to April 1, 2009, the average date of expense for policies to be issued under the revised rates.
- Q. What does line 20 entitled "Projected Fixed Expenses per exposure" show?
- A. Line 20 entitled "Projected Fixed Expenses per exposure" takes the Projected G & OA Expenses shown on line 19 and divides them by the earned exposures in line 7. This figure represents the amount of expenses that will be incurred for general and other acquisition expenses on a per exposure basis.
- Q. What does line 21 entitled "Projected Loss, LAE and G & OA Expenses per Exposure" show?
- A. Line 21 is, as indicated, just a combination of lines 18 and 20; it is the sum of projected losses and ALAE, projected ULAE and projected general and other acquisition expenses all stated as an average amount per earned exposure. These are the projected costs that can be expected to be incurred during the experience period and are the major components for which the average rate will need to provide.
- Q. What does line 22 entitled "Percentage Dividends" show?
- A. Line 22 shows the Reinsurance Facility's selected provision of 0% for anticipated dividends to policyholders. This amount is selected in recognition of the fact that no policyholder dividends have been paid on Reinsurance Facility business in the past and that none are anticipated to be paid in the upcoming period.
- Q. What does line 23 on page C-1 entitled "Permissible Loss, LAE and G & OA Expense Ratio" show?

- A. This line takes into account the other expense items, such as commissions and brokerage and taxes, and provides for any contingency provision. It would also typically include underwriting profit, but no underwriting profit provision is included in this filing because, by statute, the Reinsurance Facility is to operate on a no profit, no loss basis. If you look at page D-17 of the filing, you can see that, for the liability coverages, the commissions and brokerage are 10.0% of the premium dollar, and taxes, licenses and fees are 2.1% of the premium dollar, and there is a 0% margin for contingencies. These items add up to 12.1%. These items are what are known as variable expenses. They vary in direct proportion with the premium dollar. You know that out of every dollar of premium you write, 12.1 cents will have to go to pay for these expenses and you are left with only 87.9 cents to pay for losses, loss adjustment expenses and general and other acquisition expenses. The permissible loss and fixed expense ratio shows the percentage of the premium dollar you will have available to pay for trended losses, trended loss adjustment expenses and trended general and other acquisition expenses.
- Q. What is the source of the percentages on page D-17 with respect to commissions and brokerage and taxes, licenses, and fees?
- A. They were calculated from the 2007 North Carolina expense call for 2006 data undertaken by the North Carolina Rate Bureau. The provision for commission and brokerage reflects the minimum commission required on private passenger non-fleet business ceded to the Facility.
- Q. Would you explain line 26 entitled "Adjustment Factor for Increase in MVR Fee"?
- A. The Adjustment Factor for Increase in MVR Fee is an adjustment made to the needed overall Projected Loss, LAE and Expenses per Exposure found in line 21 to account for the increase in MVR charge from \$5 to \$8, effective 10/1/2005. Since the increase in MVR expenses was fully reflected in the 2006 experience, the adjustment factor for 2006 is 1.0000. Because the Reinsurance Facility has developed the indicated rates in this filing by means of a pure premium analysis, a similar adjustment is applied as a multiplicative value to each coverage.
- Q. Would you explain line 27 entitled "Premium Required per Exposure"?
- A. This is the required amount of premium that the Reinsurance Facility needs to collect, on average, for each other-than-clean risk it reinsures in order that in the aggregate sufficient premium will be collected to pay the expected losses and expenses. This amount is calculated by taking the Projected Losses, LAE and Expenses per Exposure and loading them for the variable expenses such as commissions and taxes. However, if that premium amount were collected, the Facility could theoretically make a profit because of the investment income which it will earn on the unearned premium and loss and loss expense reserves. The Filing also takes into account installment payments income paid by insureds. The purpose of line 27 is to determine the rates such that premium, including installment income, plus the investment income will equal the expected losses and expenses. The way

this is done mathematically is to add both the expected investment income (line 24) and the expected installment income (line 25) as a percentage of premium to the permissible loss, LAE and G & OA expense ratio shown on line 23. The investment income figure used in the filing is 3.5% of premium, as shown on page F-169 of the filing. That 3.5% is added to the permissible loss, LAE and G & OA expense ratio shown on line 23. In addition, the installment income figure of +1.1% of premium is added to the permissible loss, LAE and G & OA expense ratio shown on line 23. The installment income provision of 1.1% is developed on Exhibit RF-5. By dividing the projected loss and expense ratio on line 21 (adjusted by the change in MVR fee on line 26) by the total of the permissible loss, LAE and G & OA expense ratio on line 23 plus 3.59% and 1.1%, we get the premiums which, when added to investment income and installment income, will equal the expected losses and expenses. This is the amount that the Facility in the aggregate needs to actually collect in order pay the expected losses and expenses on ceded business.

Q. What is the Distributional Adjustment Factor as shown on line 28?

A. The distributional adjustment factor as shown on line 28 is the average class factor reflecting the mix of the various use classes, inexperienced operator classes, multi car/single car risks and the average SDIP factor. It provides a measurement of how far from the base class on average the average risk is. For example, the 1.345 distributional adjustment factor for bodily injury liability indicates that, because of the application of these various rating factors, the average non-clean, ceded risk will pay 134.5% of the otherwise applicable base rate.

Q. Could you please explain line 29 entitled "Required 30/60/25 Base Class Premium"?

A. The figure shown on line 29 is the needed average base class premium statewide. It is determined by dividing the average premium in line 27 by the distributional adjustment factor in line 28. This is the average statewide premium required for a single car, pleasure use, no SDIP and no inexperienced operators risk. This premium will be used in the development of the territory base rates where it will be distributed based on the difference from the statewide average of each territory's three year pure premium.

Q. Could you explain what is shown on line 30 on page C-1?

A. Line 30 reflects the indicated Total Limits change based on an analysis of the Reinsurance Facility's experience on a total limits basis. For example, the 4.1% for bodily injury represents the additional amount of premium needed because of the inadequacy of the current factors for higher limits of coverage.

Q. Could you explain what is shown on line 31 on page C-1?

A. Line 31 takes the indicated total limits need and applies it to the basic limits base class premium. The Rate Bureau's filed changes to the increased limits factors as part of its February 1, 2008 filing have yet to be approved and the Reinsurance Facility has not yet

filed or adopted those changes. Typically, when the total limits indication has not been effected through a change to the increased limits factors, it is incorporated into the basic limits change. The failure to apply the change in this manner would result in this case in the overall rate level being inadequate. If and when the increased limits factors are changed for other-than-clean ceded business, appropriate changes can be made to the base rates.

Q. Are the calculations of the indicated average rate level changes for the property damage and medical payments coverages performed in the same manner as for the bodily injury coverage you just described?

A. Yes, while the inputs are obviously different for the different coverages, the calculations are performed in the same general manner. It should be noted that the property damage coverage required 25,000 base class premium in line 31 also includes the overall effect of the increased limits experience.

As noted on page C-1, the medical payments indications are performed on a total limits basis. Therefore, there are no adjustments anywhere in the calculation to a basic limits basis and no adjustment in line 30 for the total limits change. However, the distributional adjustment factor for Medical Payments will be that much larger, since as part of the calculation to put the premium at a base class level, the premium must be presented at basic limits, and therefore the medical payments total limits premium is divided by the average increased limits factor in addition to the average class factor.

Q. What are the final indicated rate level changes for bodily injury, property damage and total limits medical payments coverages resulting from the calculations on page C-1?

A. The indicated rate level changes resulting from the calculations on page C-1, which are posted on page A-1, are determined by taking the ratio of the statewide average required base class premium to the current statewide average base class premium. The required base class premiums by territory are determined by distributing the required base class premium, as shown on the statewide rate review (page C-1), using the relative changes by territory found in Column (7) on pages C-7 and C-8 and the appropriate expense flattening adjustment. The statewide average base class premiums are determined by taking the weighted average by territory using the earned car years for the year ended 12/31/06.

As shown on page A-1, the result of all of these calculations is that the indicated average rates will generate indicated rate level changes of +10.4% for bodily injury, +12.4% for property damage and +0.7% for medical payments.

Q. How are motorcycle insurance rates determined in this Filing for the liability coverages (bodily injury and property damage)?

A. The indicated rate changes are calculated separately using motorcycle experience in North Carolina from the Rate Bureau's call for motorcycle experience. The data are voluntary and ceded experience combined. The resulting rates are then presented as a percentage of the

rates applicable to ceded private passenger non-fleet automobile insurance. The percentage is what is commonly referred to as a "relativity."

- Q. Given the fact that motorcycle rates are shown in the manual as a percentage of rates for private passenger non-fleet automobile insurance, what would the effect be on motorcycle rates of an 11.2% increase in ceded automobile liability insurance rates for the bodily injury and property damage coverages?
- A. If the motorcycle rate relativities are not adjusted, an 11.2% increase in the automobile liability insurance rates would automatically result in the same approximate percentage increase in the motorcycle liability rates.
- Q. Does Exhibit RF-1 contain calculations which seek to determine what the indicated change in rates should be for the motorcycle liability coverages?
- A. Yes. Page G-2 of the filing shows that for other than clean ceded risks ceded to the Reinsurance Facility a 2.2% increase is needed for the bodily injury and property damage motorcycle coverages.
- Q. Please refer to page G-2 of the filing and explain how the indicated rate change of +2.2% was determined.
- A. The figures shown on lines 1, 2 and 5 of page G-2 were reported to the Rate Bureau by its member companies in response to a call for motorcycle data issued by the Rate Bureau. The information was compiled by the Rate Bureau and then furnished to ISO. The earned premiums at present rates were calculated by means of an actuarial technique known as earned on level factors. This technique uses adjustment factors to reflect the impact of any rate level changes made during and subsequent to each calendar year to bring the historic data up to current level.

Line 3 is a factor based on the total loss adjustment expenses for all three years in the experience period divided by the total incurred losses for the three-year period. This change was made several years ago because the calendar year incurred loss adjustment expenses reported in the Rate Bureau call were significantly impacted by reserve changes. The method selected smoothes out the impact of these changes. The resulting loss adjustment expenses are the products of the factor on line 3 and the incurred losses on line 2. These are displayed on line 4.

The figures shown on line 6 are the annual percentage trends in losses. They were determined by taking a weighted average of the trends used to calculate automobile rates for bodily injury, property damage and medical payments coverages.

The figure in line 7 for average annual change in expense costs is 3.1% per year. This is the same prospective expense trend figure used for automobile coverages. The 3.1% figure was determined and applied in the same manner as in the automobile coverages.

The figure for projected losses in line 8 is simply the amount shown in line 2, with the annual percentage trend from line 6 applied. The manner in which the trend is applied is the same as was used for the automobile coverages. The procedures for trending the loss adjustment expenses (line 9) and the general expenses and other acquisition expenses (line 10) are also the same as were used for the automobile coverages. Line 11 is simply the total of lines 8, 9 and 10.

The projected loss, LAE and G & OA expense ratio shown in line 12 is simply line 11 divided by line 1. Taking the year ended 12/31/06, for example, \$21,230,496 shown in line 11 is divided by the \$21,306,493 in line 1. The result is .996. What this means is that, if rates are not changed, 99.6 cents of every dollar of premium will be needed to cover losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q. How was the Permissible Loss, LAE and G & OA Expense Ratio in line 13 calculated and what is its significance?

A. There are certain expenses which vary in direct proportion to the premium dollar. For example, commission and brokerage are determined as a percentage of written premium. Likewise, taxes vary on the basis of written premium. The percentages used to determine the permissible loss, LAE and G & OA expense ratio in line 13 are shown on page G-4 of the filing and are as follows for the liability coverages:

	2004	2005	2006
Commission and Brokerage	10.0%	10.0%	10.0%
Taxes, licenses, etc.	2.1%	2.0%	2.2%
Profit	0.0%	0.0%	0.0%
Contingencies	0.0%	0.0%	0.0%
Investment Income	-3.5%	-3.5%	-3.5%
Installment Income	-1.1%	-1.1%	-1.1%
	7.5%	7.4%	7.6%

The motorcycle rate calculations include in the Permissible Loss, LAE and G & OA Expense Ratio provisions for anticipated investment income on the unearned premium and loss and loss expense reserves and installment income. When these are added to the combined amounts for commission and brokerage and taxes, licenses, etc., the results for three years are 7.5%, 7.4% and 7.6% respectively. The figures shown on line 13 of page G-2 are simply the difference between 1.000 and the percentage figures I have just mentioned. For example, the variable expenses plus profit and contingencies for 2006 were 7.6%. 1.000 minus 0.076 is equal to 0.924. What this means is that if 7.6 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have 92.4 cents available to pay losses, loss adjustment expenses, general expenses and other acquisition expenses.

Since line 12 tells us that, based on the 2006 data, we will need 99.6 cents of every premium dollar to pay for the losses and the so-called "fixed expenses," and line 13 tells us that we will have 92.4 cents available for those purposes, we can divide line 12 by line 13 (and adjust this value for the increase in MVR fees as shown on line 14) in order to get the percentage rate change which is necessary. The indicated percentages are +1.3%, -2.8% and +7.8% for the years 2004, 2005 and 2006 respectively.

Q. How was the figure in line 15 entitled "Final Selected Rate Level Change" determined?

A. Line 15 is simply the weighted average of the three figures shown in line 14. In other words, we have weighed the +1.3%, -2.8% and +7.8% by premiums in line 1. The resulting average is +2.2%.

Q. You indicated that the Reinsurance Facility's automobile rate filing was for an average increase of 11.2% for the bodily injury and property damage liability coverages combined and that if the motorcycle relativities were not adjusted the result would be a similar change in motorcycle rates. Please explain how the new relativities proposed in the motorcycle filing were determined for the liability coverages.

A. The revised liability relativities for motorcycles are shown on page G-6 of the filing. What this shows is that if the automobile liability insurance rates for other-than-clean ceded risks increase 11.2% and the motorcycle liability insurance rates go up 2.2%, the current motorcycle liability relativities should be multiplied by 1.022/1.122 or .919. The calculations are shown on page G-6. Given the circumstances in this instance, the proposed relativities resulting from these calculations actually round to the same relativities currently in effect. The proposed relativities are actuarially sound and proper assuming that the filed liability rate changes for private passenger non-fleet automobile coverages for other-than-clean ceded risks are fully implemented. If those changes are not fully implemented, the proper relativities can be calculated by the following formula:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times 1.022}{\text{Manual Rate Change in Ceded Auto BI/PD Rates}}$$

Q. Mr. Woods, please turn to pages F-169 through F-171 of Exhibit RF-1. What do those pages represent?

A. Pages F-169 through F-171 are what are commonly known as "State X" calculations. They are calculations of the estimated investment earnings on unearned premium reserves and loss and loss expense reserves. The sources for the data on these pages are shown on pages F-170 through F-171. Each line is explained, and the appropriate data source is cited.

Q. Would you explain the calculation.

- A. Section A on page F-169 is the determination of the average unearned premium reserve for the ceded liability coverages for the State of North Carolina. Line 1 gives the direct earned premium for the accident year ended December 31, 2006. From that earned premium, the mean unearned premium reserve is calculated. The portion of the direct earned premium that is held as unearned premium reserve is determined from the average unearned premium reserve for the years ending 12/31/2005 and 12/31/2006. In this case, the mean unearned premium reserve is 28.5% of the direct earned premium. You must then deduct prepaid expenses since these prepaid dollars would not be available to earn investment income.

For commission and brokerage expense, 100% of the expense provision as set forth on page F-169 is considered pre-paid. For other acquisition expense and company operating expense, one-half is considered pre-paid.

G.S. 105-228.5 as amended in 1986 specifies the procedure by which premium tax is to be paid by insurers. On average, these funds are held by insurers for approximately two months prior to remission to the State. Therefore 1.75% of premium is a pre-paid expense and is not available for investment.

Line A-5 shows the amount of unearned premium reserves that were available for investment.

Part B calculates the impact on funds available for investment of delayed remission associated with deferred payment of premium and the lag in transfer of funds to the companies. The average agents balances for all companies writing private passenger liability insurance in North Carolina is 16.8% of premiums. The explanation of this 16.8% is shown in the explanatory notes.

Part C shows the calculations of the expected mean loss reserves held by the companies. Line C-2 entitled Expected Incurred Losses and Loss Adjustment is based upon the expense provisions utilized in the filing. The derivation of the expected mean loss reserve in line C-3 is shown on page F-171 of the filing.

Part D adds up the unearned premium reserves subject to investment and the loss reserves subject to investment and backs out the amount that is not invested due to delayed remissions. This gives you the total amount of unearned premium reserves and loss and loss expense reserves available for investment.

Once you have determined how much is available for investment, you then apply the average investment return to determine total investment earnings. Line E shows an average yield of 4.78%. The source of that yield is Evergreen Investments.

Applying the yield in line E to the net subject to investment in line D gives you the total investment earnings in North Carolina. Line G merely applies the total earnings to the direct earned premium in line A-1 to show a yield of 3.50% pre-tax as a percent of direct earned premium.

- Q. Were these State X pages prepared by you or under your direct supervision and are they correct to the best of your knowledge and belief?
- A. Yes.
- Q. Does this filing propose any changes to the factors for higher limits of liability insurance?
- A. No. However, the effect of the higher limits experience is fully reflected in the basic limits rates for Bodily Injury and Property Damage.
- Q. Are there any changes in this filing to the classification factors?
- A. No.
- Q. Does the filing include a revision of the present territorial relativities?
- A. Yes. In connection with the overall changes we have been discussing, new territory rates are displayed; these are shown on page B-1. In these rates, the new territorial relativities are determined in such a way that no overall statewide rate level change is caused. In other words, based on each territory's own indications, the relativities are revised, with some territories receiving increases while others receive decreases. The overall statewide change as a result of these territorial relativity changes is 0%.
- Q. How has the Reinsurance Facility treated general and other acquisition expense by territory?
- A. The Reinsurance Facility has treated 100% of general expense and other acquisition as not varying by territory.
- Q. Please turn to page A-1 of Exhibit RF-1 and explain what is shown on that page?
- A. Page A-1 of Exhibit RF-1 shows the filed rate level changes resulting from the rate calculations contained in the filing. The overall percentages are calculated by multiplying the changes shown for each coverage by the total limits premium for each of the coverages and then dividing by the total premium for all coverages in order to calculate what the average impact is for each category. The premiums that were utilized for these calculations are shown on page A-1.
- Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level changes contained in the filing are sound and actuarially reliable and, if so, what is that opinion?
- A. Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Reinsurance Facility are consistent with generally accepted actuarial procedures and they are actuarially sound and reliable.

Q. Do you have an opinion as to whether the filed rate level changes contained in Exhibit RF-1 are fully justified and, if so, what is that opinion?

A. In my opinion, they are fully justified and are not excessive.

PRE-FILED TESTIMONY
OF
DOUGLAS A. WILLIAMS

2008 PRIVATE PASSENGER NONFLEET AUTOMOBILE INSURANCE
RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY

Q. Please state your name and business address for the record.

A. Douglas A. Williams, 401 South Tryon Street Suite 300,
Charlotte, North Carolina.

Q. By whom are you employed?

A. Wachovia Bank, N.A.

Q. In what capacity?

A. I am a Managing Director and Senior Portfolio Manager at
Evergreen Investment Management Company, LLC, a wholly-
owned subsidiary of Wachovia Bank, N.A.

Q. What are your duties as a Director and Senior Portfolio
Manager at Evergreen Investment Management Company, LLC?

A. I am responsible for managing fixed income assets for
institutional clients and for servicing those clients.

Q. Is it correct that Wachovia is the investment manager
handling the investable assets of the North Carolina
Reinsurance Facility?

A. Yes.

Q. As investment manager for the Facility, does Wachovia have discretionary investment authority over the Facility's funds?

A. Yes, subject to guidelines established by the Facility as to quality, term, diversification, and so forth of investments.

Q. What is your role personally with respect to the Facility's investment account?

A. I am the portfolio manager for that account. I make the investment decisions within the limitations or parameters specified by the Facility.

Q. How long have you been employed by Evergreen/Wachovia?

A. I have been employed by Evergreen for sixteen years. Evergreen became a wholly-owned subsidiary of Wachovia as a result of a corporate merger that was effective in 2001.

Q. How long have you been employed by Evergreen/Wachovia in the division or department which specializes in fixed-income investments?

A. Sixteen years.

Q. How long has Wachovia managed the Facility's investment portfolio?

A. Since June of 1978.

Q. How long have you personally been the portfolio manager for that account?

A. I took over as portfolio manager in March, 2008.

Q. In connection with the Facility's 2008 Private Passenger Automobile Insurance rate filing, has the Facility requested that you make any calculations concerning the investment yield that the Facility could reasonably expect during the two-year period ending September 30, 2010?

A. Yes.

Q. Did you make those calculations?

A. Yes I have. I was requested in May, 2008 to make the calculations. Based on the size of the portfolio in May, 2008 and the yields at that time, I arrived at an estimate of the yield during the two-year period beginning October 1, 2008 and ending September 30, 2010 of approximately 4.78%.

Q. Would you please describe how your calculations were performed.

A. Yes. To determine the investment yield that the Facility could reasonably expect during the two-year period ending September 30, 2010, I divided the Facility's portfolio as it stood at the beginning of May, 2008 into three segments. The first segment included investments which will mature before October 1, 2008. The second segment consisted of investments which will mature during the period October 1,

2008 through September 30, 2010. The third segment consisted of all investments which will mature after September 30, 2010.

In looking at the third segment, the investments which will not mature until after September 30, 2010, we obviously know what the yields on those are. I assumed that those assets would continue to earn the same yields throughout the period October 1, 2008 through September 30, 2010.

As to the first segment, i.e., the investments which will mature before October 1, 2008, I assumed that during the two year period in question those assets would earn a yield equal to the yield of the portfolio's performance benchmark index.

Q. Why did you use that yield?

A. I used that yield because the portfolio's performance benchmark index represents a good approximation of the mix of the typical assets which would be purchased in the portfolio with respect to various security types, credit ratings and maturities. I believe that this rate (the "Assumed Reinvestment Rate") is a good estimate of what assets in the account will earn.

Q. How did you handle the investments which are in the second segment you described?

A. These are the investments which will mature during the period October 1, 2008 through September 30, 2010. For those assets, I simply applied the current rate up until the maturity date. From the maturity date until September

30, 2010, I applied the Assumed Reinvestment Rate. In other words, I assumed that these investments will continue to earn at their present rate until maturity and that after maturity they will be re-invested at the Assumed Reinvestment Rate.

Q. Do you have an opinion as to whether the 4.78% investment yield estimate that is based on your calculations and the assumptions used in your methodology is a reasonable estimate of what the Facility's investment yield will be?

A. Yes, I do have an opinion.

Q. What is that opinion?

A. I believe that the estimated yield is reasonable.

Q. Does that conclude your pre-filed testimony?

A. Yes.