



NORTH CAROLINA DEPARTMENT OF INSURANCE

Jim Long, Commissioner

PROPERTY & CASUALTY DIVISION

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1201 MAIL SERVICE CENTER
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430 N. SALISBURY STREET
RALEIGH NC 27603

AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

Memorandum

TO: Kevin Conley

FROM: Helen Best
Property and Casualty Division

DATE: June 6, 2006

RE: **North Carolina Reinsurance Facility**
Revision of Automobile Insurance Rates - Private Passenger Cars
Private Passenger Auto (Liability and Physical Damage)
OUR FILE NUMBER: PC094341

Revised rates and premiums to apply only to ceded risks other than clean risks with a overall average statewide rate level change of 2.9% to be effective October 1, 2006.

This is the only filing (manual) that was sent to the Department. Please return after review has been completed.

Filing appears acceptable

Filing is not acceptable*

* _____

Actuary Initials _____

Date _____



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AN EQUAL OPPORTUNITY/AFFIRMATIVE ACTION EMPLOYER

June 28, 2006

Mr. F. Timothy Lucas
Personal Lines Manager
North Carolina Reinsurance Facility
5401 Six Forks Road
Post Office Box 176010
Raleigh, NC 27619-6010

RE: NORTH CAROLINA REINSURANCE FACILITY
Revision of Automobile Insurance Rates - Private Passenger Cars
Private Passenger Auto (Liability and Physical Damage)
OUR FILE NUMBER: PC094341

Dear Mr. Lucas:

We hereby acknowledge your letter of June 2, 2006, which was received by this Department June 2, 2006, to be effective October 1, 2006.

Sincerely,

A handwritten signature in cursive script that reads "Helen B. Best".

Helen B. Best
Policy & Rate Analyst
Property & Casualty Division
(919) 733-3368 ext. 217
hbest@ncdoi.net



June 2, 2006

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

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).

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 13.7% for bodily injury, -11.1% for property damage, and 17.6% for medical payments, for an overall average statewide rate level change of 2.9%. The filing also indicates a need for a statewide rate level change of -4.1% 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. Pursuant to G.S. 58-37-35(1), the information filed by the North Carolina Rate Bureau in connection with its February 1, 2006 filing (as amended) in response to

11 NCAC 10.1104 is incorporated herein, to the extent applicable, by reference. Additionally, 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) Robert Schumacher, Director & 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, 2006 in accordance with the following Rule of Application:

These changes are applicable to all policies effective on or after October 1, 2006. No policy effective prior to October 1, 2006 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, 2006.

As to "clean risks" ceded to the Reinsurance Facility, the Facility hereby establishes rates equal to the rates for "clean risks" not ceded to the Reinsurance Facility established by the North Carolina Rate Bureau pursuant to its filing dated February 1, 2006 (as amended), to become effective contemporaneously with those rates on November 15, 2006.

As to uninsured and combined uninsured/underinsured motorists coverages ceded to the Reinsurance Facility, the Reinsurance Facility hereby establishes rates equal to the uninsured and combined uninsured/underinsured motorists coverages rates established by the North Carolina Rate Bureau pursuant to its filing dated February 1, 2006 (as amended), to become effective contemporaneously with those rates on November 15, 2006.

With respect to classification and sub-classification plans rating factors used in rating coverages ceded to the Reinsurance Facility, the Reinsurance Facility hereby establishes factors equal to the factors established by the Rate Bureau pursuant to its filing dated February 1, 2006 (as amended), to become effective contemporaneously with those factors on November 15, 2006.

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

SUMMARY OF STATEWIDE RATE LEVEL INDICATIONS

<u>COVERAGE</u>	<u>TOTAL LIMITS</u> <u>PREMIUM WEIGHT (A)</u>	<u>FILED</u> <u>CHANGE</u>
Ceded Liability(B):		
Bodily Injury (C)	\$142,676	13.7%
Property Damage(C)	121,419	-11.1%
Medical Payments	10,095	17.6%
Ceded Total	274,190	2.9%
Motorcycle Liability:	19,916	-4.1%

(A) In Thousands.

(B) Includes ceded business written at Facility rates only.

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

BI higher limits indication = +7.2%

PD higher limits indication = -0.1%

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

Terr. Code	<u>Description</u>	30/60 B.I.	\$25,000 P.D.	30/60/25 <u>Combined</u>
11	Asheville	19.2%	-10.2%	2.9%
13	Durham	14.8%	-11.4%	1.8%
14	Greensboro	14.7%	-12.9%	0.7%
15	High Point	12.0%	-13.3%	-0.2%
16	Raleigh	15.2%	-12.1%	0.8%
17	Wilmington	14.1%	-9.0%	3.2%
18	Winston-Salem	15.1%	-12.4%	0.9%
24	Remainder-West	13.2%	-11.1%	1.1%
25	Gaston County	16.6%	-10.7%	3.2%
26	Remainder-South	12.8%	-12.0%	3.3%
31	Small City-East	13.7%	-11.9%	1.6%
32	Small City-West	14.6%	-10.6%	1.8%
33	Remainder-East	13.0%	-8.5%	3.8%
40	Fayetteville	12.6%	-9.8%	2.7%
41	Onslow County	10.2%	-13.0%	-1.0%
43	Craven County	22.0%	-7.4%	8.5%
47	Wayne County	13.0%	-10.5%	2.5%
51	Mecklenburg County -Remainder	11.8%	-11.4%	-0.7%
52	Charlotte	13.5%	-12.9%	0.3%
	STATEWIDE	13.7%	-11.1%	1.8%

SECTION B

MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PROPOSED BASE RATES - CEDED LIABILITY

Terr Code	\$30,000/60,000 <u>Bodily Injury</u>	\$25,000 <u>Property Damage</u>	\$500 <u>Medical Payments</u>
11	\$197	\$185	\$21
13	295	224	31
14	278	218	29
15	304	218	32
16	260	222	27
17	316	225	33
18	248	201	26
24	220	171	23
25	289	216	30
26	389	189	41
31	280	196	29
32	225	180	23
33	278	167	29
40	349	223	36
41	287	212	30
43	273	177	29
47	276	175	29
51	226	211	24
52	306	234	32

NORTH CAROLINA

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 a revision to classification rate differentials, but no revision 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

1. Such vehicles with engine size of 499 cubic centimeters or less shall be rated at [17%] 16% of the applicable private passenger rate.
2. Such vehicles with engine size of 500 to 1249 cubic centimeters shall be rated at [28%] 26% of the applicable private passenger rate.
3. Such vehicles with engine size of 1250 to 1499 cubic centimeters shall be rated at [38%] 36% of the applicable private passenger rate.
4. Such vehicles with engine size of 1500 or more cubic centimeters shall be rated at [50%] 47% of the applicable private passenger rate.

SECTION C
SUPPORTING EXPERIENCE

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

Ceded Business - Risks Written at Facility 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)	\$84,406,921	\$70,156,314	\$7,567,549
(2) Loss Development Factor (b)	1.096	1.017	1.095
(3) Developed Losses and ALAE (1)x(2)	92,509,985	71,348,971	8,286,466
(4) Unallocated Loss Adjustment Expense Factor (See page D-17)	0.113	0.126	0.113
(5) Unallocated Loss Adjustment Expense (3)x(4)	10,453,628	8,989,970	936,371
(6) General and Other Acquisition Expenses (c)	18,776,962	16,020,557	1,484,096
(7) Earned Exposures (a)	380,656	380,656	205,491
(8) Incurred Claims (a)	14,951	32,004	6,376
(9) Claim Development Factor (d)	0.944	1.004	1.025
(10) Developed Claims (9)x(10)	14,114	32,132	6,535
(11) Average Annual Change in Losses and ALAE (See page D-7)	1.4%	0.0%	-0.1%
(12) Average Annual Change in Expenses (See page D-6)	3.5%	3.5%	3.5%
(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)	96,487,914	71,348,971	8,261,607
(17) Projected ULAE (f)	11,603,527	9,978,867	1,039,372
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	283.96	213.65	45.26
(19) Projected G & OA Expenses (g)	20,635,881	17,606,592	1,631,022
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	54.21	46.25	7.94
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	338.17	259.90	53.20
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-17)	0.877	0.877	0.877
(24) Investment Income (i)	3.8%	3.8%	3.8%
(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 $[(21)x(26)]/((23)+(24)+(25)-(22))$	367.31	282.30	57.78
(28) Distributional Adjustment Factor (k)	1.465	1.469	2.070
(29) Required 30/60/25 Base Class Premium $[(27)/(28)]$	250.72	192.17	27.91
(30) Indicated Total Limits Change (See Section E)	7.2%	-0.1%	
(31) Required 30/60/25 Base Class Premium $[(29)x(1.0+(30))]$	268.77	191.98	27.91

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. For Bodily Injury, the three year average excluding the latest 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 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-155.
- (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 7/12/2007.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2004 to 7/12/2007.
- (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 4/1/2007.
- (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-172 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.
- (k) 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 12/31/2003

Ceded Business - Risks Written at Facility 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)	\$85,688,155	\$74,518,319	\$7,393,371
(2) Loss Development Factor (b)	1.041	1.001	1.030
(3) Developed Losses and ALAE (1)x(2)	89,201,369	74,592,837	7,615,172
(4) Unallocated Loss Adjustment Expense Factor (See page D-18)	0.119	0.128	0.119
(5) Unallocated Loss Adjustment Expense (3)x(4)	10,614,963	9,547,883	906,205
(6) General and Other Acquisition Expenses (c)	17,212,592	15,712,692	1,369,558
(7) Earned Exposures (a)	370,280	370,280	197,605
(8) Incurred Claims (a)	14,084	32,928	6,253
(9) Claim Development Factor (d)	0.982	0.998	1.009
(10) Developed Claims (9)x(10)	13,830	32,862	6,309
(11) Average Annual Change in Losses and ALAE (See page D-7)	0.8%	-0.6%	-0.6%
(12) Average Annual Change in Expenses (See page D-6)	3.5%	3.5%	3.5%
(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)	92,145,014	72,802,609	7,432,408
(17) Projected ULAE (f)	12,196,592	10,970,518	1,041,230
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	281.79	226.24	42.88
(19) Projected G & OA Expenses (g)	19,587,930	17,881,043	1,558,557
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	52.90	48.29	7.89
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	334.69	274.53	50.77
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-18)	0.876	0.876	0.876
(24) Investment Income (i)	3.8%	3.8%	3.8%
(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 $[(21)x(26)]/((23)+(24)+(25)-(22))$	363.93	298.51	55.20

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2003

- (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 latest 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 5.6% and 7.8%, 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-155.
- (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 7/12/2007.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2003 to 7/12/2007.
- (g) Projected general and other acquisition expenses =
(15)
[(6) x (1 + (12))], where (15) = the number of years of projection from 7/1/2003 to 4/1/2007.
- (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-172 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
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2002

Ceded Business - Risks Written at Facility 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)	\$84,496,966	\$68,805,264	\$7,490,016
(2) Loss Development Factor (b)	1.017	1.001	1.012
(3) Developed Losses and ALAE (1)x(2)	85,933,414	68,874,069	7,579,896
(4) Unallocated Loss Adjustment Expense Factor (See page D-19)	0.134	0.114	0.134
(5) Unallocated Loss Adjustment Expense (3)x(4)	11,515,077	7,851,644	1,015,706
(6) General and Other Acquisition Expenses (c)	15,433,618	14,013,065	1,238,542
(7) Earned Exposures (a)	351,404	351,404	187,911
(8) Incurred Claims (a)	13,864	28,728	6,538
(9) Claim Development Factor (d)	0.991	1.000	1.003
(10) Developed Claims (9)x(10)	13,739	28,728	6,558
(11) Average Annual Change in Losses and ALAE (See page D-7)	0.5%	-0.5%	-1.0%
(12) Average Annual Change in Expenses (See page D-6)	3.5%	3.5%	3.5%
(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)	88,081,749	67,152,217	7,208,481
(17) Projected ULAE (f)	13,691,427	9,335,605	1,207,674
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	289.62	217.66	44.79
(19) Projected G & OA Expenses (g)	18,180,802	16,507,391	1,459,002
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	51.74	46.98	7.76
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	341.36	264.64	52.55
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-19)	0.875	0.875	0.875
(24) Investment Income (i)	3.8%	3.8%	3.8%
(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 $[(21)x(26)]/((23)+(24)+(25)-(22))$	371.58	288.07	57.20

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2002

- (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 latest 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 5.9% and 7.3%, 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-155.
- (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 7/12/2007.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))⁽¹⁴⁾], where (14) = the number of years of projection from 7/1/2002 to 7/12/2007.
- (g) Projected general and other acquisition expenses =
(15)
[(6) x (1 + (12))⁽¹⁵⁾], where (15) = the number of years of projection from 7/1/2002 to 4/1/2007.
- (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-172 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 I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2004	(2) 30/60 LOSS COST 3 YRS ENDED 12/31/2004	(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	6,221	71.41	0.688	103.79	1.0	103.79	0.697	167	197
13	9,664	113.37	0.677	167.46	1.0	167.46	1.125	259	295
14	9,961	106.23	0.681	155.99	1.0	155.99	1.048	244	278
15	3,273	114.24	0.660	173.09	0.9	172.96	1.162	273	304
16	23,019	96.97	0.672	144.30	1.0	144.30	0.970	227	260
17	7,423	121.13	0.669	181.06	1.0	181.06	1.217	279	316
18	10,283	87.15	0.639	136.38	1.0	136.38	0.916	217	248
24	105,500	75.38	0.639	117.97	1.0	117.97	0.793	196	220
25	7,978	103.63	0.637	162.68	1.0	162.68	1.093	249	289
26	24,831	131.28	0.574	228.71	1.0	228.71	1.537	347	389
31	19,566	104.67	0.665	157.40	1.0	157.40	1.058	248	280
32	35,298	79.83	0.657	121.51	1.0	121.51	0.816	198	225
33	52,418	100.69	0.643	156.59	1.0	156.59	1.052	248	278
40	12,439	133.33	0.659	202.32	1.0	202.32	1.359	312	349
41	8,896	114.35	0.704	162.43	1.0	162.43	1.091	263	287
43	5,207	104.56	0.683	153.09	1.0	153.09	1.029	226	273
47	6,257	100.88	0.652	154.72	1.0	154.72	1.040	246	276
51	3,172	80.80	0.672	120.24	0.8	121.74	0.818	203	226
52	29,081	117.40	0.675	173.93	1.0	173.93	1.169	271	306
SW	380,487	96.47	0.649	148.81		148.82			

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 12/31/2004	(2) \$25,000 LOSS COST 3 YRS ENDED 12/31/2004	(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	6,221	90.66	0.704	128.78	1.0	128.78	0.967	208	185
13	9,664	113.22	0.702	161.28	1.0	161.28	1.212	255	224
14	9,961	109.76	0.704	155.91	1.0	155.91	1.171	252	218
15	3,273	105.63	0.677	156.03	1.0	156.03	1.172	253	218
16	23,019	110.68	0.696	159.02	1.0	159.02	1.195	254	222
17	7,423	110.45	0.683	161.71	1.0	161.71	1.215	249	225
18	10,283	93.76	0.663	141.42	1.0	141.42	1.062	231	201
24	105,500	76.74	0.659	116.45	1.0	116.45	0.875	194	171
25	7,978	98.83	0.641	154.18	1.0	154.18	1.158	243	216
26	24,831	83.99	0.637	131.85	1.0	131.85	0.991	216	189
31	19,566	94.01	0.684	137.44	1.0	137.44	1.033	224	196
32	35,298	84.54	0.680	124.32	1.0	124.32	0.934	203	180
33	52,418	75.23	0.665	113.13	1.0	113.13	0.850	184	167
40	12,439	111.94	0.698	160.37	1.0	160.37	1.205	249	223
41	8,896	106.53	0.702	151.75	1.0	151.75	1.140	246	212
43	5,207	84.12	0.691	121.74	1.0	121.74	0.915	193	177
47	6,257	81.10	0.674	120.33	1.0	120.33	0.904	197	175
51	3,172	101.85	0.682	149.34	1.0	149.34	1.122	239	211
52	29,081	117.28	0.695	168.75	1.0	168.75	1.268	270	234
SW	380,487	89.85	0.675	133.11		133.11			

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
 NOTES TO CALCULATION OF REVISED BASE RATES BY TERRITORY

Liability data shown in column (1) is for ceded business written at Facility rates only.
 Data shown in column (2) is voluntary and ceded business combined.

Column

- (1) Earned exposures for the year ended 12/31/2004.
- (2) Pure premium (losses divided by exposures) for the three years ended 12/31/2004.
 Liability data are developed to ultimate.
- (3) Distributional adjustment factor = Present average rate for year ended
 12/31/2004 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))	54.21	46.25
(2) Required average premium per exposure (from page C-1, line (27))	367.31	282.30
(3) Fixed ratio = (1) / (2)	0.148	0.164
(4) Variable ratio 1 - (3)	0.852	0.836
(5) Required Base Class Premium (from page C-1, line (31))	268.77	191.98
(6) Flattened expenses (2) x (3)	39.78	31.48

Offsets are as follows:

- 1) Offsets for the classification factor changes are shown on page C-14.
 These offsets are required so that these changes will have no rate level effect.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
MEDICAL 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	2,377	17	197	0.990	21	50,421	37.97	30.74	24.8%
13	4,795	26	295	0.992	31	149,844	56.05	47.01	20.2%
14	4,279	24	278	0.993	29	124,966	52.43	43.39	21.7%
15	1,360	27	304	0.994	32	43,783	57.86	48.82	19.2%
16	13,024	23	260	0.994	27	353,771	48.82	41.58	18.1%
17	2,897	28	316	0.993	33	96,275	59.66	50.62	18.7%
18	4,262	22	248	0.993	26	111,593	47.01	39.78	19.0%
24	59,251	20	220	0.992	23	1,373,763	41.58	36.16	15.9%
25	3,053	25	289	0.995	30	92,050	54.24	45.20	20.6%
26	14,068	35	389	0.994	41	580,270	74.13	63.28	17.9%
31	11,536	25	280	0.993	29	336,902	52.43	45.20	16.8%
32	18,253	20	225	0.992	23	423,205	41.58	36.16	15.9%
33	38,550	25	278	0.992	29	1,126,966	52.43	45.20	16.9%
40	3,906	31	349	0.993	36	141,607	65.09	56.05	16.9%
41	2,552	26	287	0.990	30	77,333	54.24	47.01	16.5%
43	2,953	22	273	0.990	29	86,502	52.43	39.78	33.1%
47	3,722	24	276	0.993	29	108,699	52.43	43.39	21.7%
51	1,759	20	226	0.996	24	42,386	43.39	36.16	20.5%
52	12,777	27	306	0.995	32	410,919	57.86	48.82	19.1%
	205,374					5,731,255			17.6%

- (1) Ave MP ILF 1.808
- (2) % of BI: 10.44%
- (3) Revised Base Class Rate: \$27.91
- (4) Target Base class rate: \$27.91

- (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)
T	EARNED	30/60	30/60	(2)/(3)	\$25,000	\$25,000	(5)/(6)
E	CAR YEARS	PRES.	BASE	DISTRIB.	PRES.	BASE	DISTRIB.
R	YR. ENDED	AVG.	CLASS	ADJUST.	AVG.	CLASS	ADJUST.
R	12/31/2004	PREM	RATE	FACTOR	PREM	RATE	FACTOR
11	6,221	268.40	167	1.607	334.29	208	1.607
13	9,664	375.40	259	1.449	369.60	255	1.449
14	9,961	364.54	244	1.494	376.50	252	1.494
15	3,273	385.67	273	1.413	357.42	253	1.413
16	23,019	339.79	227	1.497	380.21	254	1.497
17	7,423	418.65	279	1.501	373.63	249	1.501
18	10,283	314.91	217	1.451	335.23	231	1.451
24	105,500	291.26	196	1.486	288.28	194	1.486
25	7,978	361.75	249	1.453	353.03	243	1.453
26	24,831	481.08	347	1.386	299.46	216	1.386
31	19,566	357.95	248	1.443	323.31	224	1.443
32	35,298	292.91	198	1.479	300.31	203	1.479
33	52,418	354.72	248	1.430	263.18	184	1.430
40	12,439	468.02	312	1.500	373.52	249	1.500
41	8,896	433.92	263	1.650	405.87	246	1.650
43	5,207	360.64	226	1.596	307.98	193	1.596
47	6,257	345.77	246	1.406	276.90	197	1.406
51	3,172	305.25	203	1.504	359.38	239	1.504
52	29,081	387.14	271	1.429	385.71	270	1.429
SW	380,487	346.41	236.48	1.465	317.70	216.20	1.469

MEDICAL PAYMENTS

	(1)	(2)	(3)	(4)	AVERAGE ILF	TOTAL
	EARNED	\$500	\$500	(2)/(3)		
T	CAR YEARS	PRES.	BASE	DISTRIB.		
R	YR. ENDED	AVG.	CLASS	ADJUST.		
R	12/31/2004	PREM	RATE	FACTOR		
11	2,377	21.04	17	1.238		
13	4,795	29.36	26	1.129		
14	4,279	28.53	24	1.189		
15	1,360	30.25	27	1.120		
16	13,024	26.77	23	1.164		
17	2,897	32.66	28	1.166		
18	4,262	25.42	22	1.155		
24	59,251	23.34	20	1.167		
25	3,053	28.54	25	1.142		
26	14,068	38.26	35	1.093		
31	11,536	28.80	25	1.152		
32	18,253	23.31	20	1.166		
33	38,550	28.16	25	1.126		
40	3,906	35.28	31	1.138		
41	2,552	31.37	26	1.207		
43	2,953	25.99	22	1.181		
47	3,722	26.68	24	1.112		
51	1,759	24.15	20	1.208		
52	12,777	30.27	27	1.121		
SW	205,374	27.17	23.72	1.145	1.808	2.070

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 12/31/2004	30/60 PRES. AVG. PREM(A)	30/60 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,221	114.90	167	0.688	0.706
13	9,664	175.42	259	0.677	1.095
14	9,961	166.23	244	0.681	1.032
15	3,273	180.27	273	0.660	1.154
16	23,019	152.62	227	0.672	0.960
17	7,423	186.65	279	0.669	1.180
18	10,283	138.63	217	0.639	0.918
24	105,500	125.30	196	0.639	0.829
25	7,978	158.56	249	0.637	1.053
26	24,831	199.18	347	0.574	1.467
31	19,566	165.02	248	0.665	1.049
32	35,298	130.16	198	0.657	0.837
33	52,418	159.58	248	0.643	1.049
40	12,439	205.75	312	0.659	1.319
41	8,896	185.16	263	0.704	1.112
43	5,207	154.44	226	0.683	0.956
47	6,257	160.33	246	0.652	1.040
51	3,172	136.34	203	0.672	0.858
52	29,081	183.06	271	0.675	1.146
SW	380,487	153.40	236.48	0.649	

(A) Voluntary and ceded 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 12/31/2004	\$25000 PRES. AVG. PREM(A)	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,221	146.41	208	0.704	0.962
13	9,664	179.12	255	0.702	1.179
14	9,961	177.37	252	0.704	1.166
15	3,273	171.21	253	0.677	1.170
16	23,019	176.82	254	0.696	1.175
17	7,423	170.18	249	0.683	1.152
18	10,283	153.13	231	0.663	1.068
24	105,500	127.88	194	0.659	0.897
25	7,978	155.87	243	0.641	1.124
26	24,831	137.63	216	0.637	0.999
31	19,566	153.30	224	0.684	1.036
32	35,298	138.07	203	0.680	0.939
33	52,418	122.29	184	0.665	0.851
40	12,439	173.89	249	0.698	1.152
41	8,896	172.69	246	0.702	1.138
43	5,207	133.42	193	0.691	0.893
47	6,257	132.72	197	0.674	0.911
51	3,172	162.88	239	0.682	1.105
52	29,081	187.73	270	0.695	1.249
SW	380,487	145.90	216.20	0.675	

(A) Voluntary and ceded combined

REVIEW OF NORTH CAROLINA PRIVATE PASSENGER CLASSIFICATION EXPERIENCE

Premium Offsets to Maintain Constant Premium Volume

Terr.	Ceded Liability
11	0.990
13	0.992
14	0.993
15	0.994
16	0.994
17	0.993
18	0.993
24	0.992
25	0.995
26	0.994
31	0.993
32	0.992
33	0.992
40	0.993
41	0.990
43	0.990
47	0.993
51	0.996
52	0.995

SECTION D
EXPLANATORY MATERIAL

NORTH CAROLINA

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, PCI and NISS data. Data for certain companies are not included, as noted on page F-6.

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), Property Casualty Insurers Association of America (PCI), and National Independent Statistical Service (NISS).

Experience utilized in the filing was collected under the Automobile Statistical Plan and the 2004 Official Statistical Programs of ISO, the Automobile Statistical Plan - All Coverages and the 2004 Statistical Programs of PCI, and the Automobile Statistical Plan - All Coverages - Part IV, North Carolina and the 2004 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 Facility rates ("Non-clean risk" ceded business) was compiled on a calendar/accident year basis for the years ended December 31, 2004, 2003 and 2002. 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, 2004. 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-156. The data are compiled on a combined voluntary and ceded basis. The motorcycle data are for the years ended December 31, 2004, 2003 and 2002. 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>
12/31/2004 (reported as of 15 months)	1.096	1.017	1.095
12/31/2003 (reported as of 27 months)	1.041	1.001	1.030
12/31/2002 (reported as of 39 months)	1.017	1.001	1.012

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-155.

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-155.

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-PCI 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 12/31/2002 and 12/31/2003 to the year ended 12/31/2004 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, 2004 is July 1, 2004.

The changes proposed in this filing are applicable to all new and renewal policies written on or after October 1, 2006. The losses and loss adjustment expenses are projected to July 12, 2007. 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, 2007) 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 2004, 2003 and 2002 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. An offset is applied to reflect the adopted revisions in class differentials. The calculation of the flattened general and other acquisition expenses and the application of the offsets 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)	1.9%	-0.5%	1.4%
Bodily Injury (T/L)	3.0%		
Property Damage	0.0%	0.0%	0.0%
Medical Payments	3.5%	-3.5%	-0.1%
<u>Expense Trend</u>			3.5%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2002 and 2003

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2004 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2002	1.018	0.968	0.985	1.014	1.005
	2003	1.015	0.974	0.989	1.014	1.008
	2004	1.000	1.000	1.000	1.014	1.014
Property Damage	2002	0.969	1.008	0.977	1.000	0.995
	2003	0.988	0.987	0.975	1.000	0.994
	2004	1.000	1.000	1.000	1.000	1.000
Medical Payments	2002	1.069	0.893	0.955	0.999	0.990
	2003	1.050	0.933	0.980	0.999	0.994
	2004	1.000	1.000	1.000	0.999	0.999

(a) 2002 Claim Cost Change = (2004 Claim Cost) / (2002 Claim Cost).
2003 Claim Cost Change = (2004 Claim Cost) / (2003 Claim Cost).

(b) 2002 Claim Frequency Change = (2004 Claim Frequency)
/ (2002 Claim Frequency). 2003 Claim Frequency Change =
(2004 Claim Frequency) / (2003 Claim Frequency).

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

(d) Annualized Trend for 2002 and 2003

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

where m is the number of years of projection of the 2004 trend factor from 7/1/2004 to 7/12/2007, 3.03, Col (4) represents the Current Cost Factor to 7/1/2004, and n represents the number of years of projection for a given prior year, 4.03 for 2003 and 5.03 for 2002.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2002 and 2003

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2002	\$ 6,292	1.54
	2003	6,307	1.53
	2004	6,404	1.49
Property Damage	2002	\$ 2,628	3.81
	2003	2,576	3.89
	2004	2,546	3.84
Medical Payments	2002	\$ 1,615	1.40
	2003	1,644	1.34
	2004	1,727	1.25

(a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-127 and F-129.

(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>
Jan-02	177.1	
Feb-02	177.8	164.0
Mar-02	178.8	
Apr-02	179.8	
May-02	179.8	166.1
Jun-02	179.9	
Jul-02	180.1	
Aug-02	180.7	167.1
Sep-02	181.0	
Oct-02	181.3	
Nov-02	181.3	167.9
Dec-02	180.9	
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	

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)	2.76%	4.17%	3.47%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.01%	3.92%	3.46%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.44%	3.97%	3.70%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	4.14%	2.43%	3.29%
(5) Average Annual Index (D)			
Year Ended 6/30/2003	182.11	170.25	
Year Ended 12/31/2003	183.96	174.33	
Year Ended 6/30/2004	186.09	177.40	
Year Ended 12/31/2004	188.88	181.00	
Year Ended 6/30/2005	191.69	185.20	
Year Ended 12/31/2005	195.29	188.53	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2003	1.08	1.12	1.10
Year Ended 12/31/2003	1.07	1.09	1.08
Year Ended 6/30/2004	1.06	1.07	1.07
Year Ended 12/31/2004	1.04	1.05	1.05
Year Ended 6/30/2005	1.03	1.03	1.03
Year Ended 12/31/2005	1.01	1.01	1.01

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

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

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

(D) Average year ended index for period shown.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					383,862,164
1992				430,255,281	428,685,804
1993			456,135,578	459,352,242	459,179,969
1994		487,698,498	496,119,137	499,778,973	497,362,994
1995	480,109,432	499,805,208	508,281,001	510,695,093	507,711,940
1996	484,666,683	507,084,121	507,244,864	507,972,820	508,379,926
1997	499,433,785	506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	
2002	502,055,673	533,149,260	548,869,443		
2003	515,817,257	559,094,357			
2004	539,624,419				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.996
1993			1.007	1.000
1994		1.017	1.007	0.995
1995	1.041	1.017	1.005	0.994
1996	1.046	1.000	1.001	1.001
1997	1.014	1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	
2002	1.062	1.029		
2003	1.084			

Five Year Average	1.054	1.020	1.011	1.003
Three Year Average (b)	1.053	1.024	1.013	1.004

	Five Year	Three Year
39 to 63 months:	1.014	1.017
27 to 63 months:	1.034	1.041
15 to 63 months:	1.090	1.096

- (a) Losses are on a 30/60 level for 2002-2004.
Losses are on a 25/50 level for 1991-2001.
(b) The 15-27 month three year average is for 2000-2002.

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
1991					230,755,291
1992				250,683,767	250,587,858
1993			290,341,927	290,526,361	290,374,126
1994		341,109,620	341,881,402	342,544,827	342,489,519
1995	384,825,188	385,156,651	386,974,758	387,215,933	387,183,990
1996	429,257,284	434,360,545	434,632,796	434,999,549	434,974,174
1997	437,020,628	440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	
2002	521,387,936	529,534,675	531,145,335		
2003	537,475,817	547,204,102			
2004	540,779,130				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	0.999
1994		1.002	1.002	1.000
1995	1.001	1.005	1.001	1.000
1996	1.012	1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	
2002	1.016	1.003		
2003	1.018			
Five Year Average	1.016	1.001	1.001	1.000
Three Year Average	1.016	1.000	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.002	1.001	
15 to 63 months:		1.018	1.017	

(a) Losses are on a \$25,000 level for 2002-2004.
Losses are on a \$15,000 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					65,195,317
1992				71,794,144	71,812,761
1993			74,606,952	75,142,975	75,141,528
1994		78,009,228	78,792,900	79,141,305	79,248,603
1995	77,988,625	81,871,581	82,590,616	83,077,081	83,224,393
1996	78,004,666	81,079,429	81,935,144	82,511,325	82,792,510
1997	76,476,955	79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	
2002	84,407,330	89,375,713	90,811,468		
2003	85,399,350	91,379,102			
2004	85,271,787				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.007	1.000
1994		1.010	1.004	1.001
1995	1.050	1.009	1.006	1.002
1996	1.039	1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	
2002	1.059	1.016		
2003	1.070			
Five Year Average	1.059	1.016	1.008	1.003
Three Year Average	1.063	1.018	1.008	1.004
		Five Year	Three Year	
39 to 63 months:		1.011	1.012	
27 to 63 months:		1.027	1.030	
15 to 63 months:		1.088	1.095	

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
1991					60,225
1992				67,605	67,312
1993			73,092	72,624	72,128
1994		85,579	84,589	84,346	83,857
1995	93,636	91,352	90,615	90,309	89,961
1996	96,404	94,473	94,022	93,916	93,519
1997	96,535	94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	
2002	96,845	93,413	92,563		
2003	98,407	94,411			
2004	98,867				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.996
1993			0.994	0.993
1994		0.988	0.997	0.994
1995	0.976	0.992	0.997	0.996
1996	0.980	0.995	0.999	0.996
1997	0.976	0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	
2002	0.965	0.991		
2003	0.959			
Five Year Average	0.966	0.993	0.996	0.996
Three Year Average	0.961	0.991	0.995	0.996
		Five Year	Three Year	
39 to 63 months:		0.992	0.991	
27 to 63 months:		0.985	0.982	
15 to 63 months:		0.952	0.944	

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
1991					142,080
1992				155,579	155,534
1993			167,607	167,625	167,569
1994		190,932	191,119	191,123	191,119
1995	202,092	203,290	203,409	203,482	203,511
1996	213,802	214,611	215,087	215,218	215,208
1997	213,462	215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	
2002	225,129	226,768	227,050		
2003	235,482	236,947			
2004	239,528				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.000	1.000
1994		1.001	1.000	1.000
1995	1.006	1.001	1.000	1.000
1996	1.004	1.002	1.001	1.000
1997	1.007	1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	
2002	1.007	1.001		
2003	1.006			
Five Year Average	1.008	0.999	1.000	1.000
Three Year Average	1.006	0.998	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		0.999	0.998	
15 to 63 months:		1.007	1.004	

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
1991					53,787
1992				57,422	57,389
1993			60,280	60,423	60,391
1994		66,188	66,510	66,604	66,592
1995	66,742	68,541	68,876	69,056	69,057
1996	66,485	68,189	68,540	68,706	68,723
1997	64,007	65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	
2002	60,999	61,948	62,273		
2003	59,036	60,027			
2004	56,892				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.002	0.999
1994		1.005	1.001	1.000
1995	1.027	1.005	1.003	1.000
1996	1.026	1.005	1.002	1.000
1997	1.029	1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	
2002	1.016	1.005		
2003	1.017			
Five Year Average	1.019	1.005	1.003	1.000
Three Year Average	1.016	1.006	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.008	1.009	
15 to 63 months:		1.027	1.025	

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.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2003 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.4
Underwriting Profit	-
Contingencies	0.0
 Total	 12.4
 Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	 87.6
 Loss Adjustment Expense	
Bodily Injury & Medical Payments	11.9
Property Damage	12.8
 General Administration	 5.6
 Other Acquisition Expenses	 7.8

(a) For use with 12/31/2003 Liability data.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2002 EXPENSE PROVISIONS

	Ceded Liability (a)
Commission + Brokerage	10.0%
Taxes, Licenses and Fees	2.5
Underwriting Profit	-
Contingencies	0.0
Total	12.5
Losses, Loss Adj. Expenses, Gen. Admin. Expenses and Other Acquis. Expenses	87.5
Loss Adjustment Expense	
Bodily Injury & Medical Payments	13.4
Property Damage	11.4
General Administration	5.9
Other Acquisition Expenses	7.3

(a) For use with 12/31/2002 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.

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.

SECTION E
INCREASED LIMITS REVIEW

NORTH CAROLINA

Increased limits Revision

This filing adopts the approval of no changes to the increased limits factors for Bodily Injury and Property Damage Liability resulting from the settlement of the Rate Bureau's February 1, 2006 filing. As a result, the total limits indications for these coverages have been applied to the basic limit rates.

The Bodily Injury total limits indication of +7.2%, determined on page E-2 is applied to the basic limits Bodily Injury rates.

The Property Damage total limits indication of -0.1%, 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
REVIEW OF BODILY INJURY INCREASED LIMITS

	12/31/2002	12/31/2003	12/31/2004	3 Years Combined
Ceded Business				
(1) Basic limits losses (a)(b)	228,971,827	242,712,533	231,974,021	703,658,381
(2) Basic limits loss dev. factor (See page D-11)	1.017	1.041	1.096	
(3) Basic limits claim cost trend (See page D-6)	1.9%	1.9%	1.9%	
(4) Years of trend (See page C-2)	5.03	4.03	3.03	
(5) Basic limits trend factor [1+(3)]^(4)	1.099	1.079	1.059	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	255,917,919	272,624,183	269,243,895	797,785,997
(7) Total limits losses (b)	247,648,881	261,775,679	247,986,216	757,410,776
(8) Total limits loss dev. factor (See page F-45)	1.021	1.062	1.167	
(9) Total limits claim cost trend (See page D-6)	3.0%	3.0%	3.0%	
(10) Years of trend (See page C-2)	5.03	4.03	3.03	
(11) Total limits trend factor [1+(9)]^(10)	1.160	1.127	1.094	
(12) Total limits losses, trended and developed (7)x(8)x(11)	293,305,429	313,312,504	316,603,506	923,221,439
(13) Indicated average if (12)/(6)	1.146	1.149	1.176	1.157
(14) Average increased limits factor (See page E-4)	1.077	1.078	1.082	1.079 (c)
(15) Indicated change to excess limits increments {[(13)-1] / [(14)-1] }-1				98.7%
(16) Indicated total limits change { (13) / (14) }-1				7.2%

- (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 PROPERTY DAMAGE INCREASED LIMITS

Ceded Business	12/31/2002	12/31/2003	12/31/2004	3 Years Combined
(1) Basic limits losses (a) (b)	188,013,998	201,025,523	198,938,504	587,978,025
(2) Basic limits loss dev. factor (See page D-12)	1.001	1.001	1.017	
(3) Basic limits losses, developed (1)x(2)	188,202,012	201,226,549	202,320,459	591,749,020
(4) Total limits losses (b)	188,749,581	201,707,079	199,924,060	590,380,720
(5) Total limits loss dev. factor (See page F-46)	1.000	1.000	1.015	
(6) Total limits losses, developed (4)x(5)	188,749,581	201,707,079	202,922,921	593,379,581
(7) Indicated average increased limits factor (6) / (3)	1.003	1.002	1.003	1.003
(8) Average increased limits factor (See page E-5)	1.003	1.004	1.004	1.004 (c)
(9) Indicated change to excess limits increments {[(7)-1]/[(8)-1]}-1				-25.0%
(10) Indicated total limits change {(7)/(8)}-1				-0.1%
(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 12/31/2004
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	179,249,752	1.00	179,249,752	1.00	179,249,752
50/100	65,014,309	1.14	57,030,096	1.15	65,584,610
100/200	855,626	1.30	658,174	1.33	875,371
100/300	49,885,897	1.32	37,792,346	1.35	51,019,667
250/500	1,380,620	1.52	908,303	1.57	1,426,036
300/300	280,121	1.50	186,747	1.54	287,590
1000/1000	2,571	1.76	1,461	1.83	2,674
All Other	101,142	1.076	93,998	1.082	101,706
	296,770,038	1.076	275,920,877	1.082	298,547,406

Year Ending 12/31/2003
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	178,876,404	1.00	178,876,404	1.00	178,876,404
50/100	58,185,607	1.14	51,040,006	1.15	58,696,007
100/300	47,958,141	1.32	36,331,925	1.35	49,048,099
Over 100/300	1,467,825	1.52	965,674	1.57	1,516,108
All Other	4,106,687	1.072	3,830,865	1.078	4,129,672
	290,594,664	1.072	271,044,874	1.078	292,266,290

Year Ending 12/31/2002
Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1)	(2)	(3)	(4)	(5)
	Written Premium	Prior ILF	30/60 Premium	Current ILF	(3)x(4) T/L Premium
30/60	160,137,856	1.00	160,137,856	1.00	160,137,856
50/100	47,887,436	1.12	42,756,639	1.15	49,170,135
100/300	41,680,991	1.28	32,563,274	1.35	43,960,420
Over 100/300	789,084	1.38	571,800	1.57	897,726
All Other	4,744,768	1.061	4,471,977	1.077	4,816,319
	255,240,135	1.061	240,501,546	1.077	258,982,456

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

Year Ending 12/31/2004

Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
25,000	154,307,578	1.000	154,307,578	1.000	154,307,578
50,000	92,396,490	1.010	91,481,673	1.010	92,396,490
100,000	2,042,015	1.030	1,982,539	1.030	2,042,015
250,000	1,538	1.059	1,452	1.059	1,538
300,000	224	1.069	210	1.069	224
500,000	351	1.113	315	1.113	351
1,000,000	267	1.202	222	1.202	267
All Other	1,825,771	1.004	1,818,497	1.004	1,825,771
	250,574,234	1.004	249,592,486	1.004	250,574,234

Year Ending 12/31/2003

Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
15,000	(714)	1.000	(714)	1.000	(714)
25,000	163,797,199	1.000	163,797,199	1.000	163,797,199
50,000	92,691,540	1.010	91,773,802	1.010	92,691,540
100,000	1,838,760	1.030	1,785,204	1.030	1,838,760
250,000	309	1.059	292	1.059	309
300,000	2,864	1.069	2,679	1.069	2,864
All Other	3,771,129	1.004	3,756,105	1.004	3,771,129
	262,101,087	1.004	261,114,567	1.004	262,101,087

Year Ending 12/31/2002

Ceded Property Damage - \$25,000 base

	(1)	(2)	(3)	(4)	(5)
Limit Of Liability	Written Premium	Prior ILF	\$25,000 Premium	Current ILF	(3)x(4) T/L Premium
15,000	(23,925)	1.000	(23,925)	1.000	(23,925)
25,000	153,126,847	1.000	153,126,847	1.000	153,126,847
50,000	78,604,541	1.020	77,063,275	1.010	77,833,908
100,000	1,165,480	1.040	1,120,654	1.030	1,154,274
250,000	1,910	1.070	1,785	1.059	1,890
300,000	3,437	1.080	3,182	1.069	3,402
All Other	993,477	1.007	986,571	1.003	989,531
	233,871,767	1.007	232,278,389	1.003	233,085,927

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

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

Limit	(1) Written Premium	(2) Prior ILF	(3) (1)/(2) B/L Premium
\$500	779,570	1.00	779,570
750	23,420	1.33	17,609
1,000	13,877,911	1.60	8,673,694
2,000	9,881,820	2.34	4,223,000
3,000	1,076	2.79	386
5,000	418,208	3.38	123,730
10,000	10,877	3.86	2,818
All Other	-33,954	1.808	-18,780
Total	24,958,928	1.808	13,802,027

Year Ending 12/31/2003
Ceded Medical Payments - \$500 Base

Limit	(1) Written Premium	(2) Prior ILF	(3) (1)/(2) B/L Premium
\$500	904,279	1.00	904,279
750	18,881	1.33	14,196
1,000	13,355,664	1.60	8,347,290
2,000	9,615,950	2.34	4,109,380
3,000	28	2.79	10
5,000	336,134	3.38	99,448
All Other	5,690	1.798	3,165
Total	24,236,626	1.798	13,477,768

Year Ending 12/31/2002
Ceded Medical Payments - \$500 Base

Limit	(1) Written Premium	(2) Prior ILF	(3) (1)/(2) B/L Premium
\$500	746,161	1.00	746,161
750	13,419	1.33	10,089
1,000	11,369,642	1.60	7,106,026
2,000	8,591,741	2.34	3,671,684
3,000	236	2.79	85
5,000	282,976	3.38	83,721
All Other	6,353	1.808	3,514
Total	21,010,528	1.808	11,621,280

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-2-34
2. Credibility factor development and application.	F-35-37
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	F-38-114
4. Trending factor development and application.	F-115-151
5. Changes in premium base resulting from rating exposure trends.	F-152
6. Limiting factor development and application.	F-153
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	F-154-156
8. Percent rate change.	F-157
9. Final proposed rates.	F-158
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	F-159-178
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	F-179-184
12. Investment earnings on capital and surplus.	F-185
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	F-186
14. Additional supplemental information (as per 11 NCAC 10.1104)	F-187-196

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 |
| (1) Paid/incurred losses and loss adjustment expense. | F-4 |
| (1) Anticipated loss ratios. | F-5 |
| (a) Companies excluded - rate level, trend, loss development, investment income and expenses. | F-6 |
| (b) Increased limits factors and deductible credits. | F-7 |
| (c) Adjustments to premium, losses, loss adjustment expenses and exposures. | F-8 |
| (d) Calculation of earned premium at present rates. | F-9 |
| (e) Written and earned premiums and market shares for the ten largest writers. | F-10 |
| (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 | See response
(1)(f) and
Exhibit (1)(f)
in the Rate
Bureau filing |
| (g) Deviations. | Not applicable |
| (h) Dividends. | Not applicable |
| (i) Loss and loss adjustment expenses. | F-16-18 |
| (j) Excess losses (Comprehensive) | Not applicable |
| (k) Territory data. | F-19-34 |

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED EARNED PREMIUM

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Coverage</u>	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>
Bodily Injury	\$116,921,350	\$128,452,183	\$132,232,128
Property Damage	106,159,585	117,258,895	112,820,827
Medical Payments	9,382,890	10,220,584	10,451,382

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Coverage</u>	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>
Bodily Injury	\$121,024,066	\$125,404,845	\$131,862,912
Property Damage	110,709,756	115,016,081	120,935,606
Medical Payments	9,482,456	9,603,104	10,095,028

- (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
CEDED
PAID/INCURRED LOSSES AND ALLOCATED LOSS ADJUSTMENT EXPENSE

<u>Year</u>	<u>Paid Losses(a)</u>	<u>Incurred Losses(a)</u>
		Bodily Injury
12/31/2002	81,154,958	91,810,215
12/31/2003	70,464,023	92,546,013
12/31/2004	40,774,963	89,233,003
		Property Damage
12/31/2002	68,883,995	69,005,720
12/31/2003	74,638,483	74,817,526
12/31/2004	68,689,862	70,561,181
		Medical Payments
12/31/2002	7,429,189	7,484,517
12/31/2003	7,246,761	7,390,160
12/31/2004	6,459,920	7,559,344

(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 13.4%, 11.9%, and 11.3% for year ended 12/31/2002, 12/31/2003 and 12/31/2004 respectively. For Property Damage, these factors for each year are 11.4%, 12.8% and 12.6% respectively. See page F-155.

NORTH CAROLINA
ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS
CEDED

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2002</u>	<u>12/31/2003</u>	<u>12/31/2004</u>
Bodily Injury	.787	.778	.788
Property Damage	.808	.821	.793
Medical Payments	.756	.783	.766
Motorcycle Liability	.718	.650	.565

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

EXCLUDED COMPANIES

(The marketshare for each company mentioned, based on the total 2004 page 15 private passenger automobile written premium unless otherwise indicated, is found in parentheses after the company name.)

Universal Insurance Co. (0.81%) has been excluded from loss development for all years. Their data were inaccurately reported to their statistical agent.

Interstate Casualty Insurance Co., which comprised 2.7% of page 14 written premium in 1988, has been excluded from all loss development due to their insolvency.

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 2002-2004 are American Guaranty Insurance Co. (0.15%), American Southern Insurance Co. (0.23%), Builders Mutual Insurance Company (0.01%), Church Mutual Insurance Company (0.00%), Merastar Insurance Co. (0.04%), 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 1989 through 2000. Their data were inaccurately reported to their statistical agent, and corrected data were not provided.

United Services Automobile Association (2.37%), USAA Casualty Insurance Company (1.53%), USAA General Indemnity (0.19%), Pennsylvania National Casualty Insurance Company (0.59%), American Home Assurance Company (0.24%), Cincinnati Insurance Co. (0.08%), Insurance Corporation of Hanover (0.00%), Harbor Specialty Insurance Company (0.0%), Nationwide Property and Casualty Insurance Company (0.14%), companies from the Hartford Insurance Group (1.06%) and companies from St. Paul Insurance Group (0.01%) have been excluded from all rate levels. Their data were inaccurately reported to their statistical agent.

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	167
(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)	\$10,855

TOP TEN AUTOMOBILE INSURANCE WRITERS

COMPANY NAME	2004		2004	
	<u>WRITTEN PREMIUM</u>	<u>WRITTEN PREMIUM MARKET SHARE</u>	<u>EARNED PREMIUM</u>	<u>EARNED PREMIUM MARKET SHARE</u>
NATIONWIDE MUTUAL INS CO	568,471,866	14.74%	566,680,881	14.89%
STATE FARM MUTUAL AUTO INS CO	542,216,772	14.06%	538,048,826	14.14%
N C FARM BUREAU MUTUAL INS CO	333,732,998	8.65%	322,997,255	8.49%
ALLSTATE INSURANCE COMPANY	244,612,501	6.34%	244,561,178	6.43%
INTEGON NATIONAL INS CO	243,122,139	6.30%	228,410,238	6.00%
NATIONWIDE MUTUAL FIRE INS CO	221,809,955	5.75%	219,795,172	5.78%
ALLSTATE INDEMNITY COMPANY	203,678,497	5.28%	190,494,417	5.01%
GOVERNMENT EMPLOYEES INS CO	112,980,344	2.93%	109,106,877	2.87%
PROGRESSIVE SOUTHEASTERN INS CO	107,063,570	2.78%	103,829,048	2.73%
UNITED SERVICES AUTOMOBILE ASSOC	94,736,435	2.46%	95,443,859	2.51%
TOTAL	\$ 2,672,425,077	69.28%	\$ 2,619,367,751	68.83%
Grand Total	\$ 3,857,179,825		\$ 3,805,795,604	

(a) Per the 2004 Annual Statement, Page 15.

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2004 WRITTEN PREMIUM

2003 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	836,990	387,747	434,034	790,704
2 Allied lines	567,960	231,748	262,341	537,368
3 Farmowners	247,539	92,360	119,552	220,346
4 Homeowners	14,446,700	6,698,131	7,631,119	13,513,712
5 Comm multi peril	4,533,880	1,857,869	2,134,204	4,257,545
6 Mortgage guaranty	0	0	0	0
8 Ocean marine	118,691	76,712	89,785	105,618
9 Inland marine	868,805	437,037	440,710	865,131
10 Financial guaranty	0	-0	0	-0
11 Medical malpractice	64,896	18,890	12,198	71,589
12 Earthquake	159,261	84,280	89,897	153,644
13 Group A & H	801,482	14,981	759	815,704
14 Credit A & H	5,203	13,577	11,151	7,630
15 Other A & H	781,540	278,006	325,773	733,773
16 Worker's comp	3,653,903	479,387	424,884	3,708,406
17 Other liability	1,961,601	833,683	966,657	1,828,627
18 Products liability	144,037	79,638	55,038	168,637
19 Auto liability	49,895,658	13,382,144	14,547,489	48,730,313
21 Auto phys. damage	33,964,020	9,318,026	9,793,394	33,488,653
22 Aircraft	54,529	13,115	7,056	60,588
23 Fidelity	14,199	7,041	7,229	14,011
24 Surety	181,116	113,075	124,978	169,213
26 Burglary + theft	4,454	2,974	2,283	5,144
27 Boiler and machinery	61,608	25,564	29,616	57,556
28 Credit	373	1,386	801	957
29 International	100,953	12,258	47,762	65,449
30 Reinsurance	751,525	40,577	39,404	752,697
31 Miscellaneous	-115,073	30,552	50,284	-134,806
32 TOTALS	114,105,850	34,530,756	37,648,398	110,988,208

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2004 WRITTEN PREMIUM

2004 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,066,628	473,609	504,864	1,039,078
2 Allied lines	649,780	285,780	307,386	628,174
3 Farmowners	268,570	121,105	132,747	256,927
4 Homeowners	15,987,674	7,753,378	8,567,880	15,173,403
5 Comm multi peril	5,422,506	2,336,951	2,566,509	5,192,948
6 Mortgage guaranty	1,158	0	933	225
8 Ocean marine	201,306	109,797	116,902	194,281
9 Inland marine	1,006,188	509,331	527,557	987,962
10 Financial guaranty	0	0	0	0
11 Medical malpractice	36,121	22,710	13,459	45,748
12 Earthquake	169,586	92,089	98,249	163,427
13 Group A & H	1,136,484	24,868	30,495	1,137,907
14 Credit A & H	5,158	11,151	11,688	4,621
15 Other A & H	1,106,388	371,545	599,927	984,344
16 Worker's comp	5,992,870	1,107,373	1,416,391	5,683,862
17 Other liability	4,694,352	2,587,269	3,108,611	4,447,371
18 Products liability	199,010	61,232	76,377	183,865
19 Auto liability	52,805,564	15,093,937	15,648,203	52,233,560
21 Auto phys. damage	35,747,389	9,930,121	10,300,854	35,376,657
22 Aircraft	256,233	69,478	83,991	241,719
23 Fidelity	118,251	51,975	55,038	115,187
24 Surety	218,079	126,218	140,750	203,547
26 Burglary + theft	11,069	4,563	5,298	10,334
27 Boiler and machinery	90,410	40,789	40,476	90,724
28 Credit	2,703	645	1,535	1,813
29 International	52,533	47,762	26,001	74,294
30 Reinsurance	633,850	38,131	22,763	649,219
31 Miscellaneous	68,831	50,284	80,949	38,167
32 TOTALS	127,948,692	41,322,091	44,485,833	125,159,362

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2004 WRITTEN PREMIUM

2003 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Direct Business	Losses Paid Less Salvage			Net Payments	Net Losses Unpaid		Net Losses Unpaid		Losses Incurred Current Year
		Reinsurance Assumed	Reinsurance Ceded	Net		Current Year	Previous Year			
1 Fire	282,490	470,670	373,283	379,877	222,502	222,345	380,035			
2 Allied lines	385,808	359,154	478,487	266,474	159,712	150,985	275,201			
3 Farmowners	123,611	73,646	78,221	119,036	70,715	56,940	132,811			
4 Homeowners	5,678,524	6,663,152	5,296,483	7,045,193	3,835,558	3,113,592	7,767,159			
5 Comm multi peril	1,361,864	2,418,560	1,936,440	1,843,984	3,342,321	3,090,240	2,096,065			
6 Mortgage guaranty	0	0	0	0	0	0	0			
8 Ocean marine	20,418	90,289	54,515	56,193	75,167	72,509	58,851			
9 Inland marine	282,968	258,184	246,744	294,408	162,883	158,788	298,502			
10 Financial guaranty	-23	32	1	8	1,093	1,130	-29			
11 Medical malpractice	10,395	171,724	100,717	81,402	188,638	187,611	82,429			
12 Earthquake	22,921	20,871	12,816	30,975	35,583	44,421	22,138			
13 Group A & H	689,943	388,283	166,538	911,688	447,818	581,538	777,968			
14 Credit A & H	11,513	0	5,673	5,840	6,215	8,051	4,004			
15 Other A & H	508,057	-11,377	9,480	487,200	392,748	385,422	494,525			
16 Worker's comp	1,759,038	4,133,385	3,849,966	2,042,457	10,333,161	9,584,770	2,790,847			
17 Other liability	1,332,923	1,375,446	1,675,695	1,032,673	5,164,476	4,837,210	1,359,939			
18 Products liability	146,408	113,330	236,893	22,845	2,110,265	2,150,419	-17,310			
19 Auto liability	25,741,782	13,218,625	8,762,625	30,197,782	38,201,307	36,846,972	31,552,118			
21 Auto phys. damage	17,230,411	7,988,161	5,260,803	19,957,769	1,902,549	1,823,036	20,037,282			
22 Aircraft	40,836	97,791	83,478	55,149	70,242	55,633	69,758			
23 Fidelity	6,916	174	4,239	2,852	9,938	18,596	-5,806			
24 Surety	294,750	44,425	286,323	52,852	100,135	37,637	115,350			
26 Burglary + theft	1,224	1,007	834	1,398	3,800	3,942	1,255			
27 Boiler and machinery	3,282	32,171	25,625	9,829	28,417	26,897	11,349			
28 Credit	7,954	965	9,100	-181	-858	-2,123	1,083			
29 International	29,990	7,509	524	36,975	106,716	49,567	94,124			
30 Reinsurance	0	848,551	201,169	647,382	1,412,820	1,233,178	827,025			
31 Miscellaneous	12,569	32,466	20,628	24,407	1,754	6,102	20,058			
32 TOTALS	55,986,573	38,797,194	29,177,300	65,606,466	68,385,676	64,745,410	69,246,732			

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2004 WRITTEN PREMIUM

2004 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage			Net Payments	Net Losses Unpaid		Net Losses Unpaid Previous Year	Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded		Net	Current Year		
1 Fire	344,469	437,265	397,619	384,115	311,083	267,802	425,559	
2 Allied lines	763,883	408,136	821,682	350,337	278,538	181,053	447,822	
3 Farmowners	127,517	80,681	83,324	124,874	77,460	71,570	130,763	
4 Homeowners	5,734,139	6,503,318	4,784,799	7,452,658	3,754,190	3,875,871	7,330,977	
5 Comm multi peril	1,920,163	2,965,420	2,451,761	2,433,822	4,098,318	3,488,042	3,044,048	
6 Mortgage guaranty	0	525	0	525	404	622	306	
8 Ocean marine	157,586	268,306	322,624	103,269	153,043	136,630	119,385	
9 Inland marine	356,701	458,512	493,727	321,487	209,737	166,332	364,892	
10 Financial guaranty	-27	0	0	-26	2,062	2,208	-173	
11 Medical malpractice	10,336	172,259	93,539	89,057	265,450	260,089	94,317	
12 Earthquake	8,766	5,759	4,703	9,822	20,795	37,577	-6,961	
13 Group A & H	648,663	1,253,581	726,219	1,176,025	171,362	483,086	864,301	
14 Credit A & H	7,498	0	3,297	4,200	4,678	6,215	2,664	
15 Other A & H	553,293	47,839	49,120	552,012	477,327	468,916	560,408	
16 Worker's comp	2,049,329	4,699,517	4,163,029	2,585,817	12,207,571	10,438,684	4,297,461	
17 Other liability	1,422,037	3,707,128	2,787,506	2,341,660	9,390,061	7,310,405	3,600,742	
18 Products liability	154,377	229,949	231,794	152,532	2,654,017	2,345,010	461,642	
19 Auto liability	26,005,867	15,037,247	9,892,659	31,150,455	39,201,692	38,552,337	31,830,885	
21 Auto phys. damage	16,266,602	8,068,993	5,083,232	19,252,363	1,972,238	1,952,512	19,272,120	
22 Aircraft	97,003	240,801	248,247	89,557	263,798	230,826	122,529	
23 Fidelity	15,329	57,559	30,115	42,773	96,324	91,553	47,544	
24 Surety	58,763	69,274	72,489	55,548	103,035	88,777	69,639	
26 Burglary + theft	1,938	2,658	2,422	2,175	6,142	4,660	3,656	
27 Boiler and machinery	3,662	54,725	42,550	15,837	30,765	42,864	3,738	
28 Credit	6,094	2,144	6,958	1,280	297	225	1,352	
29 International	26,202	7,512	1,598	32,116	104,970	106,767	30,318	
30 Reinsurance	0	1,512,650	413,742	1,098,908	1,159,669	1,132,226	1,126,351	
31 Miscellaneous	9,218	63,611	35,344	37,486	5,907	1,754	41,639	
32 TOTALS	56,749,410	46,355,371	33,244,099	69,860,682	77,020,932	71,744,613	74,287,924	

2004 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ 348,228	\$ 2,050,199,314	\$ 1,626,398,491
Earned Premium	348,227	2,021,056,504	1,590,372,585
Dividends	0	3,789,615	3,416,966
Unearned Prem Reserves	0	594,185,408	477,942,679
Losses Paid	107,643	1,407,024,244	879,206,603
Losses Incurred	97,382	1,516,657,858	878,133,359
Losses Unpaid	3,761	1,315,948,765	87,028,924
Alloc. Adj. Exp. Paid	3,022	32,013,842	2,148,706
Alloc Adj. Exp. Incurred	3,688	42,771,755	2,380,917
Alloc. Adj. Exp. Unpaid	665	130,850,801	4,164,308
Commissions	-25	203,776,003	165,247,343
Taxes	37,544	46,242,429	36,196,410

2003 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	\$ -18,200	\$ 2,020,845,127	\$ 1,630,256,801
Earned Premium	-18,200	1,959,328,721	1,641,832,238
Dividends	0	5,324,725	4,905,132
Unearned Prem Reserves	-1	561,918,578	442,362,995
Losses Paid	1,498	1,321,967,760	966,787,483
Losses Incurred	5,995	1,394,005,303	967,673,462
Losses Unpaid	14,022	1,211,947,876	90,401,175
Alloc. Adj. Exp. Paid	172	31,935,927	3,922,063
Alloc Adj. Exp. Incurred	-245	38,283,490	3,589,105
Alloc. Adj. Exp. Unpaid	-1	120,436,542	3,928,534
Commissions	0	190,854,259	168,292,809
Taxes	185	47,166,857	38,028,476

NORTH CAROLINA
COMPARISON OF ANNUAL STATEMENT AND FILING INFORMATION

LIABILITY

	<u>Annual Statement</u>		<u>Filing</u>	
<u>Year</u>	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2002	1,388,594,207	1,957,059,172	162,387,379	241,216,278
2003	1,501,859,410	2,101,843,329	171,409,378	250,024,030
2004	1,598,924,786	2,119,188,172	172,145,422	262,893,546

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 Facility 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	10/1/2003 Implementation	10/1/2004 Implementation	10/1/2005 Implementation
Bodily Injury	.789	.778	.772
Property Damage	.791	.792	.772
Medical Payments	.761	.818	.766
	7/1/2003 Implementation	1/1/2005 Implementation	10/1/2005 Implementation
Motorcycle Liability	.565	.557	.771

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>
12/31/2002	81,154,958	10,655,257	1.021	93,738,230
12/31/2003	70,464,023	22,081,990	1.062	98,283,866
12/31/2004	40,774,963	48,458,040	1.167	104,134,915

<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>
12/31/2002	11,515,077	1.025	1.189	109,773,112
12/31/2003	10,614,963	1.033	1.149	113,723,826
12/31/2004	10,453,628	1.043	1.110	120,216,243

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>
12/31/2002	68,883,995	121,725	1.000	69,005,720
12/31/2003	74,638,483	179,043	1.000	74,817,526
12/31/2004	68,689,862	1,871,319	1.015	71,619,599

<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>
12/31/2002	7,851,644	0.975	1.189	76,616,182
12/31/2003	9,547,883	0.976	1.149	83,992,423
12/31/2004	8,989,970	1.000	1.110	81,598,466

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>
12/31/2002	7,429,189	55,328	1.012	7,574,331
12/31/2003	7,246,761	143,399	1.030	7,611,865
12/31/2004	6,459,920	1,099,424	1.095	8,227,482

<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>
12/31/2002	1,015,706	0.951	1.189	8,410,863
12/31/2003	906,205	0.976	1.149	8,470,410
12/31/2004	936,371	0.997	1.100	9,292,021

- (a) Data on a paid/reserve basis is available only for total limits. See page F-4.
- (b) See pages F-45, F-46, and F-47.
- (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-20-34 contain North Carolina private passenger data by territory for years ended December 31, 2002, 2003, and 2004.

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.

AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 BODILY INJURY

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				NORTH CAROLINA (32)		
			ASHEVILLE TERRITORY (11)	DURHAM TERRITORY (13)	GREENSBORO-HAMIL LK TERR (14)	HIGH POINT TERRITORY (15)	CLAIM PURE	FREQ. PREM	
			----- INCURRED LOSSES --5----	BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS	AVG 4 CLAIM COST	3 CLAIM FREQ.	4 PURE PREM
2002	97312	10746165	1433098	6513866	1433098	1200	5428	1.23	66.94
2003	100528	11543111	1495366	6810122	1495366	1277	5333	1.27	67.74
2004	104077	12797637	1189044	7158691	1189044	1418	5048	1.36	68.78
TOT	301917	35086913	4117508	20482679	4117508	3895	5259	1.29	67.84
2002	127814	22372626	1656741	13664220	1656741	2552	5354	2.00	106.91
2003	129744	23019584	1628559	13973449	1628559	2402	5817	1.85	107.70
2004	132416	24614614	2376400	14388692	2376400	2587	5562	1.95	108.66
TOT	389974	70006824	5661700	42026361	5661700	7541	5573	1.93	107.77
2002	143317	22384491	2203365	14168977	2203365	2594	5462	1.81	98.86
2003	145712	23914528	2249711	14608232	2249711	2706	5398	1.86	100.25
2004	148519	26387018	2702749	15385470	2702749	2749	5597	1.85	103.59
TOT	437548	72686037	7155825	44162679	7155825	8049	5487	1.84	100.93
2002	48038	8113544	468114	4983535	468114	1011	4929	2.10	103.74
2003	48975	8763740	560412	5497465	560412	994	5531	2.03	112.25
2004	50031	9441723	1209843	5481220	1209843	1069	5127	2.14	109.56
TOT	147044	26319007	2238369	15962220	2238369	3074	5193	2.09	108.55

- NOTES:
 1 NOT UNDER FLEET PLAN
 2 PREMIUMS INCLUDE CHARGES FOR EXCESS LIMITS
 3 CLAIM FREQUENCY IS PER 100 CARS
 4 BASIC LIMITS
 5 THE INCURRED LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSE

AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 BODILY INJURY

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS	3 CLAIM FREQ.		4 PURE PREM	
RALEIGH TERRITORY (16)									
2002	337114	52669091	30051165	5910920	5070	5927	1.50	89.14	
2003	347817	55520668	32571334	6267477	5486	5937	1.58	93.65	
2004	362640	61096571	33865010	5416835	6039	5608	1.67	93.38	
TOT	1047571	169286330	96487509	17595232	16595	5814	1.58	92.11	
WILMINGTON TERRITORY (17)									
2002	121207	22536118	14295318	1894569	2296	6226	1.89	117.94	
2003	126259	23634671	15087829	1878826	2376	6350	1.88	119.50	
2004	132923	26486565	14445268	2590109	2572	5616	1.93	108.67	
TOT	380389	72657354	43828415	6363504	7244	6050	1.90	115.22	
WINSTON-SALEM TERRITORY (18)									
2002	149092	19002586	12847606	2154108	2350	5467	1.58	86.17	
2003	151528	20405271	12418227	2008790	2253	5512	1.49	81.95	
2004	153327	21925479	12381670	3050848	2373	5218	1.55	80.75	
TOT	453947	61333336	37647503	7213746	6976	5397	1.54	82.93	
WESTERN TERRITORIES (24)									
2002	1934118	235721875	143373093	36397010	24131	5941	1.25	74.13	
2003	1965342	250177721	146058717	35111493	24601	5937	1.25	74.32	
2004	2012231	269694011	134845318	25309236	25327	5324	1.26	67.01	
TOT	5911691	755593607	424277128	96817739	74059	5729	1.25	71.77	

NOTES:

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- 3 CLAIM FREQUENCY IS PER 100 CARS
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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 BODILY INJURY

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS			AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			----- INCURRED LOSSES --5---	BASIC LIMITS	EXCESS LIMITS		NO. OF CLAIMS	3 CLAIM FREQ.
GASTON CO. (25)								
2002	127785	19265060	12542148	1425436	2357	5321	1.84	98.15
2003	128623	19762486	12612771	1746222	2440	5169	1.90	98.06
2004	132005	21161667	13108315	1318436	2547	5147	1.93	99.30
TOT	388413	60189213	38263234	4490094	7344	5210	1.89	98.51
SOUTHERN TERRS (26)								
2002	405001	71657423	54610154	9127875	7518	7264	1.86	134.84
2003	415957	77073979	52934378	9099675	7566	6996	1.82	127.26
2004	432765	82148950	49225959	8022442	7856	6266	1.82	113.75
TOT	1253723	230880352	156770491	26249992	22940	6834	1.83	125.04
WILSON ROCKY MOUNT, ETC. (31)								
2002	264918	45901126	27534660	4498595	4369	6302	1.65	103.94
2003	273627	47342061	27549677	4943262	4536	6074	1.66	100.68
2004	288286	50969044	27250299	3668533	4854	5614	1.68	94.53
TOT	826831	144212231	82334636	13110390	13759	5984	1.66	99.58
GUILFORD, BUNCOMBE, ETC. (32)								
2002	609041	78262641	45486415	8297390	8242	5519	1.35	74.69
2003	620077	84013056	48829905	10466204	8795	5552	1.42	78.75
2004	635244	91108393	47211733	8765483	9100	5188	1.43	74.32
TOT	1864362	253384090	141528053	27529077	26137	5415	1.40	75.91

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 BODILY INJURY

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			----- BASIC LIMITS	----- EXCESS LIMITS	--5-- NO. OF CLAIMS	3 CLAIM FREQ.		4 PURE PREM	
EASTERN TERRITORIES (33)									
2002	698850	106956739	70406446	12062031	10570	6661	1.51	100.75	
2003	718260	114632057	70867881	13847542	10513	6741	1.46	98.67	
2004	741118	123308491	65637279	10958440	11155	5884	1.51	88.57	
TOT	2158228	344897287	206911606	36868013	32238	6418	1.49	95.87	
FAYETTEVILLE TERRITORY (40)									
2002	173197	32491595	23171198	1497705	4373	5299	2.52	133.79	
2003	177499	35622650	21773231	1392314	4153	5243	2.34	122.67	
2004	183545	38312235	22808136	2277710	4459	5115	2.43	124.26	
TOT	534241	106426480	67752565	5167729	12985	5218	2.43	126.82	
ONslow CO. (41)									
2002	92380	16656607	10964720	1780337	1647	6657	1.78	118.69	
2003	94094	17257280	9937846	752747	1585	6270	1.68	105.62	
2004	98858	18702989	10156280	724804	1660	6118	1.68	102.74	
TOT	285332	52616876	31058846	3257888	4892	6349	1.71	108.85	
CRAVEN CO. (43)									
2002	67815	10349739	6390649	538999	1015	6296	1.50	94.24	
2003	70040	11416515	6972143	593872	1058	6590	1.51	99.55	
2004	72209	12008445	7487873	1266311	1142	6557	1.58	103.70	
TOT	210064	33774699	20850665	2399182	3215	6485	1.53	99.26	

NOTES:

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 BODILY INJURY

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	INCURRED LOSSES --5---	NO. OF CLAIMS		3 CLAIM FREQ.	4 PURE PREM
2002	79169	12580920	7442144	1265988	1300	5725	1.64	94.00	
2003	76766	12719404	8336887	2017067	1271	6559	1.66	108.60	
2004	82785	13934692	7147594	957374	1284	5567	1.55	86.34	
TOT	238720	39235016	22926625	4240429	3855	5947	1.61	96.04	
MECKLENBURG CO. REMAINDER (51)									
2002	48148	6903011	4287583	1394232	757	5664	1.57	89.05	
2003	52063	7452861	3782812	1150996	768	4926	1.48	72.66	
2004	55873	8230267	3935250	725223	764	5151	1.37	70.43	
TOT	156084	22586139	12005645	3270451	2289	5245	1.47	76.92	
CHARLOTTE TERRITORY (52)									
2002	406040	76922785	45171115	7269139	9127	4949	2.25	111.25	
2003	416967	77903531	47829155	5898513	9589	4988	2.30	114.71	
2004	430128	83283720	46886904	7776780	9648	4860	2.24	109.01	
TOT	1253135	238110036	139887174	20944432	28364	4932	2.26	111.63	
STATEWIDE TOTALS									
2002	5930356	871494142	547905012	101275652	92479	5925	1.56	92.39	
2003	6059878	922175174	558452061	103109048	94369	5918	1.56	92.16	
2004	6248980	995612511	538806961	90306600	98603	5464	1.58	86.22	
TOT	18239214	2789281827	1645164034	294691300	285451	5763	1.57	90.20	

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 PROPERTY DAMAGE

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS	INCURRED LOSSES --5---		NO. OF CLAIMS	AVG 4 CLAIM COST	NORTH CAROLINA (32)	
				BASIC LIMITS	EXCESS LIMITS			3 CLAIM FREQ.	4 PURE PREM
ASHEVILLE TERRITORY (11)									
2002	97312	11840327	8747155	47506	3918	2233	4.03	89.89	
2003	100528	13467304	9185862	42826	4240	2166	4.22	91.38	
2004	104077	13800916	9262655	99130	4457	2078	4.28	89.00	
TOT	301917	39108547	27195672	189462	12615	2156	4.18	90.08	
DURHAM TERRITORY (13)									
2002	127814	18982347	14703857	27694	6270	2345	4.91	115.04	
2003	129744	21398967	14706878	38809	6361	2312	4.90	113.35	
2004	132416	21596081	14468267	140499	6359	2275	4.80	109.26	
TOT	389974	61977395	43879002	207002	18990	2311	4.87	112.52	
GREENSBORO-HAMIL LK TERR (14)									
2002	143317	21199409	15770116	102858	7143	2208	4.98	110.04	
2003	145712	23823475	16590586	44090	7476	2219	5.13	113.86	
2004	148519	23911003	15371804	134450	7072	2174	4.76	103.50	
TOT	437548	68933887	47732506	281398	21691	2201	4.96	109.09	
HIGH POINT TERRITORY (15)									
2002	48038	6846976	5239075	28051	2320	2258	4.83	109.06	
2003	48975	7695755	5248778	7870	2436	2155	4.97	107.17	
2004	50031	7713346	4949715	44432	2358	2099	4.71	98.93	
TOT	147044	22256077	15437568	80353	7114	2170	4.84	104.99	

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 PROPERTY DAMAGE

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	INCURRED LOSSES --5---	NO. OF CLAIMS		3 CLAIM FREQ.	4 PURE PREM
RALEIGH TERRITORY (16)									
2002	337114	52398252	37414424	251690	15110	2476	4.48	110.98	
2003	347817	58891972	38824341	216268	15553	2496	4.47	111.62	
2004	362640	59827503	38968072	299423	16221	2402	4.47	107.46	
TOT	1047571	171117727	115206837	767381	46884	2457	4.48	109.98	
WILMINGTON TERRITORY (17)									
2002	121207	18178395	13045329	58256	5174	2521	4.27	107.63	
2003	126259	20264561	13782660	219194	5527	2494	4.38	109.16	
2004	132923	20534884	14904104	92782	6065	2457	4.56	112.13	
TOT	380389	58977840	41732093	370232	16766	2489	4.41	109.71	
WINSTON-SALEM TERRITORY (18)									
2002	149092	18847114	14339984	22353	6698	2141	4.49	96.18	
2003	151528	20949564	14296167	127204	6801	2102	4.49	94.35	
2004	153327	20876608	13665854	93898	6892	1983	4.49	89.13	
TOT	453947	60673286	42302005	243455	20391	2075	4.49	93.19	
WESTERN TERRITORIES (24)									
2002	1934118	214057030	149974294	877135	65625	2285	3.39	77.54	
2003	1965342	238296204	153715766	1573555	67648	2272	3.44	78.21	
2004	2012231	237756443	147178352	1831190	66533	2212	3.31	73.14	
TOT	5911691	690109677	450868412	4281880	199806	2257	3.38	76.27	

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 PROPERTY DAMAGE

ACC YR	EARNED CAR YEARS	COLLECTED EARNED 2 PREMIUM	PRIVATE PASSENGER - VOLUNTARY AND CEDED RISKS				NORTH CAROLINA (32)	
			GASTON CO. (25)	SOUTHERN TERRS (26)	WILSON ROCKY MOUNT, ETC. (31)	GUILFORD, BUNCOMBE, ETC. (32)	3 CLAIM FREQ.	4 PURE PREM
			BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS	AVG 4 CLAIM COST		
2002	127785	17917453	12351475	32689	5329	2318	4.17	96.66
2003	128623	19407223	12734057	67044	5610	2270	4.36	99.00
2004	132005	19295315	13054937	141170	5835	2237	4.42	98.90
TOT	388413	56619991	38140469	240903	16774	2274	4.32	98.20
2002	405001	47110625	34283755	143135	13773	2489	3.40	84.65
2003	415957	53103306	35343227	304610	14626	2416	3.52	84.97
2004	432765	53729118	35008216	226696	14933	2344	3.45	80.89
TOT	1253723	153943049	104635198	674441	43332	2415	3.46	83.46
2002	264918	35143993	25028902	148821	10402	2406	3.93	94.48
2003	273627	39570742	26316978	93104	11190	2352	4.09	96.18
2004	288286	40291417	25895870	137765	11300	2292	3.92	89.83
TOT	826831	115006152	77241750	379690	32892	2348	3.98	93.42
2002	609041	73059218	51168638	239218	22348	2290	3.67	84.02
2003	620077	81573797	52952462	335988	23426	2260	3.78	85.40
2004	635244	81806314	52499466	375440	23850	2201	3.75	82.64
TOT	1864362	236439329	156620566	950646	69624	2250	3.73	84.01

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 PROPERTY DAMAGE

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS	INCURRED LOSSES --5---		3 CLAIM FREQ.	4 PURE PREM
EASTERN TERRITORIES (33)									
2002	698850	75582360	51415296	185501	21799	2359	3.12	73.57	
2003	718260	84440921	54167065	537767	23321	2323	3.25	75.41	
2004	741118	82826807	55738379	637303	24067	2316	3.25	75.21	
TOT	2158228	242850088	161320740	1360571	69187	2332	3.21	74.75	
FAYETTEVILLE TERRITORY (40)									
2002	173197	25276906	19281643	67184	8265	2333	4.77	111.33	
2003	177499	28537707	19523931	40647	8538	2287	4.81	109.99	
2004	183545	29154196	20606153	53395	9158	2250	4.99	112.27	
TOT	534241	82968809	59411727	161226	25961	2288	4.86	111.21	
ONslow CO. (41)									
2002	92380	13796152	10206438	10476	4202	2429	4.55	110.48	
2003	94094	15104885	10049224	8527	4229	2376	4.49	106.80	
2004	98858	15283186	9951215	57210	4182	2380	4.23	100.66	
TOT	285332	44184223	30206877	76213	12613	2395	4.42	105.87	
CRAVEN CO. (43)									
2002	67815	7575074	5415386	22553	2399	2257	3.54	79.86	
2003	70040	8519105	6042582	78668	2588	2335	3.70	86.27	
2004	72209	8459880	6097176	103344	2554	2387	3.54	84.44	
TOT	210064	24554059	17555144	204565	7541	2328	3.59	83.57	

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 PROPERTY DAMAGE

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			----- INCURRED LOSSES --5---	BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS		3 CLAIM FREQ.	4 PURE PREM
2002	79169	9398560	6499179	38725	2846	2284	3.59	82.09	
2003	76766	10078223	6332557	27575	2785	2274	3.63	82.49	
2004	82785	10276450	6405977	12553	2898	2210	3.50	77.38	
TOT	238720	29753233	19237713	78853	8529	2256	3.57	80.59	
MECKLENBURG CO. REMAINDER (51)									
2002	48148	6359840	4931868	8221	2016	2446	4.19	102.43	
2003	52063	7545367	5426402	33046	2274	2386	4.37	104.23	
2004	55873	7930351	5435469	46420	2365	2298	4.23	97.28	
TOT	156084	21835558	15793739	87687	6655	2373	4.26	101.19	
CHARLOTTE TERRITORY (52)									
2002	406040	66030147	48365294	288322	20570	2351	5.07	119.11	
2003	416967	74363368	49087274	337457	21577	2275	5.17	117.72	
2004	430128	74699438	48586275	382893	21690	2240	5.04	112.96	
TOT	1253135	215092953	146038843	1008672	63837	2288	5.09	116.54	
STATEWIDE TOTALS									
2002	5930356	739600178	528182108	2600388	226207	2335	3.81	89.06	
2003	6059878	827032446	544326797	4134249	236206	2304	3.90	89.82	
2004	6248980	829769256	538047956	4909993	238789	2253	3.82	86.10	
TOT	18239214	2396401880	1610556861	11644630	701202	2297	3.84	88.30	

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 MEDICAL PAYMENTS

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	ASHEVILLE TERRITORY (11)	VOLUNTARY AND CEDED RISKS			AVG 4 CLAIM COST	NORTH CAROLINA (32)	
				BASIC LIMITS	EXCESS LIMITS	INCURRED LOSSES --5---		NO. OF CLAIMS	3 CLAIM FREQ.
2002	61983	1067835		513294	338713	541	949	0.87	8.28
2003	64140	1187997		631608	287595	544	1161	0.85	9.85
2004	66311	1298894		677067	291537	563	1203	0.85	10.21
TOT	192434	3554726		1821969	917845	1648	1106	0.86	9.47
DURHAM TERRITORY (13)									
2002	84755	2213225		1245793	619955	1277	976	1.51	14.70
2003	85924	2318038		1055275	603105	1147	920	1.33	12.28
2004	87781	2494884		1188369	542811	1141	1042	1.30	13.54
TOT	258460	7026147		3489437	1765871	3565	979	1.38	13.50
GREENSBORO-HAMIL I.K TERR (14)									
2002	99790	2367780		1647983	741226	1509	1092	1.51	16.51
2003	101323	2603063		1569552	693302	1481	1060	1.46	15.49
2004	101784	2860778		1402913	609362	1298	1081	1.28	13.78
TOT	302897	7831621		4620448	2043890	4288	1078	1.42	15.25
HIGH POINT TERRITORY (15)									
2002	34497	873628		612202	277570	641	955	1.86	17.75
2003	35070	982857		639660	284860	591	1082	1.69	18.24
2004	35463	1066804		539680	239378	518	1042	1.46	15.22
TOT	105030	2923289		1791542	801808	1750	1024	1.67	17.06

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 MEDICAL PAYMENTS

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED 2 EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	INCURRED LOSSES --5---	NO. OF CLAIMS		3 CLAIM FREQ.	4 PURE PREM
RALEIGH TERRITORY (16)									
2002	248746	6027570	3547903	1595591	3045	1165	1.22	14.26	
2003	257205	6449962	3785485	1632414	3092	1224	1.20	14.72	
2004	269170	6995003	3648592	1840436	3072	1188	1.14	13.55	
TOT	775121	19472535	10981980	5068441	9209	1193	1.19	14.17	
WILMINGTON TERRITORY (17)									
2002	83319	2346493	1574575	538198	1315	1197	1.58	18.90	
2003	86106	2522728	1691814	725802	1342	1261	1.56	19.65	
2004	89754	2839681	1430556	684558	1234	1159	1.37	15.94	
TOT	259179	7708902	4696945	1948558	3891	1207	1.50	18.12	
WINSTON-SALEM TERRITORY (18)									
2002	99670	1818743	1302228	453952	1219	1068	1.22	13.07	
2003	100979	2049760	1256422	547010	1140	1102	1.13	12.44	
2004	101936	2263847	1178565	464312	1110	1062	1.09	11.56	
TOT	302585	6132350	3737215	1465274	3469	1077	1.15	12.35	
WESTERN TERRITORIES (24)									
2002	1473601	25826689	16241601	6494118	16560	981	1.12	11.02	
2003	1497138	29378693	15599327	6366358	15913	980	1.06	10.42	
2004	1526336	31824154	14922082	5917525	14724	1013	0.96	9.78	
TOT	4497075	87029536	46763010	18778001	47197	991	1.05	10.40	

- NOTES:
- 1 NOT UNDER FLEET PLAN
 - 2 PREMIUMS INCLUDE CHARGES FOR EXCESS LIMITS
 - 3 CLAIM FREQUENCY IS PER 100 CARS
 - 4 BASIC LIMITS
 - 5 THE INCURRED LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSE

AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 MEDICAL PAYMENTS

ACC YR	PRIVATE PASSENGER EARNED CAR YEARS	COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32) 3 CLAIM FREQ.	4 PURE PREM
			----- BASIC LIMITS	----- EXCESS LIMITS	NO. OF CLAIMS	INCURRED LOSSES --5---			
	GASTON CO. (25)								
2002	88650	1878391	1226681	458131	1224	1002	1.38	13.84	
2003	88928	2031408	1093514	482994	1162	941	1.31	12.30	
2004	90901	2210131	1169343	429879	1118	1046	1.23	12.86	
TOT	268479	6119930	3489538	1371004	3504	996	1.31	13.00	
	SOUTHERN TERRS (26)								
2002	315585	8056940	6701716	1793001	6386	1049	2.02	21.24	
2003	324305	9083228	6441852	1914421	5959	1081	1.84	19.86	
2004	335685	9816739	6072391	1605206	5704	1065	1.70	18.09	
TOT	975575	26956907	19215959	5312628	18049	1065	1.85	19.70	
	WILSON ROCKY MOUNT, ETC. (31)								
2002	206293	5300379	3576665	1196649	3335	1072	1.62	17.34	
2003	212642	5658647	3757348	1202962	3328	1129	1.57	17.67	
2004	222137	5970909	3466451	1182451	3151	1100	1.42	15.61	
TOT	641072	16929935	10800464	3582062	9814	1101	1.53	16.85	
	GUILFORD, BUNCOMBE, ETC. (32)								
2002	459662	9025800	5378619	2510084	5344	1006	1.16	11.70	
2003	466414	9882988	5626565	2963296	5175	1087	1.11	12.06	
2004	476153	10546889	5413523	2373003	4971	1089	1.04	11.37	
TOT	1402229	29455677	16418707	7846383	15490	1060	1.10	11.71	

NOTES:

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- 4 BASIC LIMITS
- 5 THE INCURRED LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSE

AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 MEDICAL PAYMENTS

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				NORTH CAROLINA (32)	
			BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS	AVG 4 CLAIM COST	3 CLAIM FREQ.	4 PURE PREM
EASTERN TERRITORIES (33)								
2002	602114	13995992	10012393	2915626	9691	1033	1.61	16.63
2003	617762	15164778	9783944	3249717	9205	1063	1.49	15.84
2004	634850	16146172	9596849	2734479	8800	1091	1.39	15.12
TOT	1854726	45306942	29393186	8899822	27696	1061	1.49	15.85
FAYETTEVILLE TERRITORY (40)								
2002	101581	2984518	2107385	1047764	2079	1014	2.05	20.75
2003	102717	3405920	1955448	1021171	1903	1028	1.85	19.04
2004	103869	3699311	1779886	897671	1821	977	1.75	17.14
TOT	308167	10089749	5842719	2966606	5803	1007	1.88	18.96
ONslow CO. (41)								
2002	55149	1536521	910375	449727	791	1151	1.43	16.51
2003	55866	1642762	919350	476293	802	1146	1.44	16.46
2004	58046	1778242	812449	503232	737	1102	1.27	14.00
TOT	169061	4957525	2642174	1429252	2330	1134	1.38	15.63
CRAVEN CO. (43)								
2002	53128	1233591	952160	347226	872	1092	1.64	17.92
2003	54443	1393717	836197	386410	817	1023	1.50	15.36
2004	56037	1437917	788706	334359	776	1016	1.38	14.07
TOT	163608	4065225	2577063	1067995	2465	1045	1.51	15.75

NOTES:

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AUTOMOBILE LIABILITY EXPERIENCE 1
 ACCIDENT YEARS ENDED DECEMBER 31, 2002, 2003, 2004
 MEDICAL PAYMENTS

ACC YR	EARNED CAR YEARS	PRIVATE PASSENGER COLLECTED EARNED 2 PREMIUM	VOLUNTARY AND CEDED RISKS				AVG 4 CLAIM COST	NORTH CAROLINA (32) CLAIM FREQ.	PURE PREM
			----- INCURRED LOSSES ---5---	BASIC LIMITS	EXCESS LIMITS	NO. OF CLAIMS			
2002	63208	1519723	982881	404021	1077	913	1.70	15.55	
2003	60832	1571828	1082944	298039	960	1128	1.58	17.80	
2004	65387	1696693	970084	359478	951	1020	1.45	14.84	
TOT	189427	4788244	3035909	1061538	2988	1016	1.58	16.03	
MECKLENBURG CO. REMAINDER (51)									
2002	36402	777994	433150	283045	444	976	1.22	11.90	
2003	39112	876291	443804	205699	396	1121	1.01	11.35	
2004	41943	979214	411410	288017	365	1127	0.87	9.81	
TOT	117457	2633499	1288364	776761	1205	1069	1.03	10.97	
CHARLOTTE TERRITORY (52)									
2002	264098	7429465	5202395	2193846	4673	1113	1.77	19.70	
2003	273044	7811430	5395433	2357554	4837	1115	1.77	19.76	
2004	282527	8761497	5080853	2641072	4686	1084	1.66	17.98	
TOT	819669	24002392	15678681	7192472	14196	1104	1.73	19.13	
STATEWIDE TOTALS									
2002	4432231	96281277	64169999	24658443	62023	1035	1.40	14.48	
2003	4523950	106016095	63565542	25699002	59794	1063	1.32	14.05	
2004	4646070	114687759	60549769	23938766	56740	1067	1.22	13.03	
TOT	13602251	316985131	188285310	74296211	178557	1054	1.31	13.84	

- NOTES:
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 - 3 CLAIM FREQUENCY IS PER 100 CARS
 - 4 BASIC LIMITS
 - 5 THE INCURRED LOSSES INCLUDE ALL LOSS ADJUSTMENT EXPENSE

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-39-98. 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 2000-2002 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>
2000	5,654,429	5,654,429	4,207,201
2001	5,771,345	5,771,345	4,298,407
2002	5,930,356	5,930,356	4,432,231
2003	6,059,878	6,059,878	4,523,950
2004	6,248,980	6,248,980	4,646,070

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2000	878,362,071	702,030,236	112,513,615
2001	903,125,321	764,291,602	108,245,538
2002	904,712,755	863,619,934	106,222,665
2003	953,423,587	967,960,280	116,950,612
2004	1,000,865,569	946,570,178	125,945,947

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Total Limits Paid Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1991					457,904,019
1992				487,711,481	508,423,434
1993			467,261,629	516,904,328	535,813,299
1994		416,288,360	505,291,267	553,835,285	575,785,047
1995	228,156,334	427,992,668	519,919,728	571,835,213	592,222,495
1996	228,444,260	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	
2002	246,948,525	462,762,209	567,363,065		
2003	254,756,938	492,397,536			
2004	266,628,448				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.042
1993			1.106	1.037
1994		1.214	1.096	1.040
1995	1.876	1.215	1.100	1.036
1996	1.865	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	
2002	1.874	1.226		
2003	1.933			
Five Year Average	1.881	1.219	1.104	1.042
Three Year Average	1.903	1.219	1.106	1.044
		Five Year	Three Year	
39 to 63 months:		1.150	1.155	
27 to 63 months:		1.402	1.408	
15 to 63 months:		2.637	2.679	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					241,874,529
1992				265,612,727	265,932,284
1993			296,165,174	297,022,508	297,338,063
1994		342,582,968	344,744,859	345,687,706	345,929,741
1995	376,417,737	388,868,480	391,482,358	392,231,532	392,500,763
1996	423,875,486	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	
2002	509,903,937	529,448,599	532,558,761		
2003	528,534,090	549,681,580			
2004	532,021,733				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.003	1.001
1994		1.006	1.003	1.001
1995	1.033	1.007	1.002	1.001
1996	1.034	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	
2002	1.038	1.006		
2003	1.040			
Five Year Average	1.040	1.005	1.002	1.000
Three Year Average	1.039	1.004	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.007	1.006	
15 to 63 months:		1.047	1.045	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					65,093,384
1992				71,547,364	71,714,031
1993			73,993,644	74,818,424	75,037,868
1994		76,055,741	78,099,746	78,926,420	79,169,009
1995	65,641,492	79,685,372	81,939,737	82,850,110	83,099,064
1996	64,932,556	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	
2002	72,832,848	86,945,509	90,039,406		
2003	73,605,060	89,033,077			
2004	73,160,155				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.002
1993			1.011	1.003
1994		1.027	1.011	1.003
1995	1.214	1.028	1.011	1.003
1996	1.218	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	
2002	1.194	1.036		
2003	1.210			
Five Year Average	1.206	1.035	1.014	1.003
Three Year Average	1.202	1.036	1.015	1.003
		Five Year	Three Year	
39 to 63 months:		1.017	1.018	
27 to 63 months:		1.053	1.055	
15 to 63 months:		1.270	1.268	

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-39.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					470,429,626
1992				522,845,868	521,907,273
1993			546,789,836	552,138,819	548,063,931
1994		565,499,299	588,774,887	590,820,124	587,515,438
1995	542,838,956	588,888,002	602,956,881	608,845,680	604,190,862
1996	553,644,769	595,465,814	606,937,587	607,877,793	607,527,453
1997	561,266,762	591,973,459	600,807,278	607,377,686	609,373,618
1998	535,782,655	571,090,594	585,827,205	594,262,071	595,538,970
1999	547,858,022	584,450,486	607,315,095	616,343,115	618,962,876
2000	528,771,428	584,171,819	607,343,649	619,331,394	621,691,752
2001	540,606,810	590,573,084	615,270,128	627,427,574	
2002	568,917,216	626,297,432	650,597,403		
2003	590,218,744	662,896,265			
2004	629,424,611				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.998
1993			1.010	0.993
1994		1.041	1.003	0.994
1995	1.085	1.024	1.010	0.992
1996	1.076	1.019	1.002	0.999
1997	1.055	1.015	1.011	1.003
1998	1.066	1.026	1.014	1.002
1999	1.067	1.039	1.015	1.004
2000	1.105	1.040	1.020	1.004
2001	1.092	1.042	1.020	
2002	1.101	1.039		
2003	1.123			
Five Year Average	1.098	1.037	1.016	1.002
Three Year Average (a)	1.099	1.040	1.018	1.003

	Five Year	Three Year
39 to 63 months:	1.018	1.021
27 to 63 months:	1.056	1.062
15 to 63 months:	1.159	1.167

(a) The 15-27 month three year average is for 2000-2002.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					242,181,779
1992				266,479,633	266,335,799
1993			297,871,948	297,959,120	297,635,265
1994		346,000,194	346,367,649	346,354,513	346,114,290
1995	390,455,030	392,459,681	392,719,031	392,780,992	392,734,006
1996	440,351,973	441,454,775	442,330,336	442,801,982	442,611,518
1997	445,134,254	449,027,076	450,122,589	450,323,753	450,139,184
1998	459,158,210	462,733,971	463,368,820	463,408,859	463,353,715
1999	491,215,772	495,074,602	496,620,194	496,760,747	496,603,613
2000	512,061,856	522,380,676	520,124,759	520,292,907	520,234,996
2001	509,607,662	516,507,961	517,508,923	517,801,842	
2002	523,908,951	532,151,212	533,775,479		
2003	542,796,004	551,748,287			
2004	545,709,696				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.000	0.999
1994		1.001	1.000	0.999
1995	1.005	1.001	1.000	1.000
1996	1.003	1.002	1.001	1.000
1997	1.009	1.002	1.000	1.000
1998	1.008	1.001	1.000	1.000
1999	1.008	1.003	1.000	1.000
2000	1.020	0.996	1.000	1.000
2001	1.014	1.002	1.001	
2002	1.016	1.003		
2003	1.016			

Five Year Average	1.015	1.001	1.000	1.000
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Three Year Average	1.015	1.000	1.000	1.000
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	Five Year	Three Year
39 to 63 months:	1.000	1.000
27 to 63 months:	1.001	1.000
15 to 63 months:	1.016	1.015

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					65,195,317
1992				71,794,144	71,812,761
1993			74,606,952	75,142,975	75,141,528
1994		78,009,228	78,792,900	79,141,305	79,248,603
1995	77,988,625	81,871,581	82,590,616	83,077,081	83,224,393
1996	78,004,666	81,079,429	81,935,144	82,511,325	82,792,510
1997	76,476,955	79,759,255	81,147,852	81,794,233	81,862,986
1998	72,417,261	76,331,709	77,410,266	77,964,001	78,054,472
1999	74,292,734	78,073,695	79,055,962	79,796,175	80,738,717
2000	74,828,822	78,803,485	80,270,062	80,892,530	80,916,479
2001	77,445,610	82,072,374	83,604,663	84,189,088	
2002	84,407,330	89,375,713	90,811,468		
2003	85,399,350	91,379,102			
2004	85,271,787				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.007	1.000
1994		1.010	1.004	1.001
1995	1.050	1.009	1.006	1.002
1996	1.039	1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	
2002	1.059	1.016		
2003	1.070			
Five Year Average	1.059	1.016	1.008	1.003
Three Year Average	1.063	1.018	1.008	1.004
		Five Year	Three Year	
39 to 63 months:		1.011	1.012	
27 to 63 months:		1.027	1.030	
15 to 63 months:		1.088	1.095	

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-39.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					383,862,164
1992				430,255,281	428,685,804
1993			456,135,578	459,352,242	459,179,969
1994		487,698,498	496,119,137	499,778,973	497,362,994
1995	480,109,432	499,805,208	508,281,001	510,695,093	507,711,940
1996	484,666,683	507,084,121	507,244,864	507,972,820	508,379,926
1997	499,433,785	506,416,147	510,093,020	513,062,431	515,054,841
1998	475,282,363	489,118,175	494,730,117	499,079,295	500,235,007
1999	484,067,233	497,444,285	506,104,335	511,660,823	514,137,414
2000	467,248,204	494,966,053	505,863,721	512,898,543	515,188,246
2001	468,576,304	486,718,769	497,255,745	504,797,761	
2002	502,055,673	533,149,260	548,869,443		
2003	515,817,257	559,094,357			
2004	539,624,419				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.996
1993			1.007	1.000
1994		1.017	1.007	0.995
1995	1.041	1.017	1.005	0.994
1996	1.046	1.000	1.001	1.001
1997	1.014	1.007	1.006	1.004
1998	1.029	1.011	1.009	1.002
1999	1.028	1.017	1.011	1.005
2000	1.059	1.022	1.014	1.004
2001	1.039	1.022	1.015	
2002	1.062	1.029		
2003	1.084			
Five Year Average	1.054	1.020	1.011	1.003
Three Year Average (b)	1.053	1.024	1.013	1.004
		Five Year	Three Year	
39 to 63 months:		1.014	1.017	
27 to 63 months:		1.034	1.041	
15 to 63 months:		1.090	1.096	

(a) Losses are on a 30/60 level for 2002-2004.

Losses are on a 25/50 level for 1991-2001.

(b) The 15-27 month three year average is for 2000-2002.

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
1991					230,755,291
1992				250,683,767	250,587,858
1993			290,341,927	290,526,361	290,374,126
1994		341,109,620	341,881,402	342,544,827	342,489,519
1995	384,825,188	385,156,651	386,974,758	387,215,933	387,183,990
1996	429,257,284	434,360,545	434,632,796	434,999,549	434,974,174
1997	437,020,628	440,459,398	441,423,147	441,741,292	441,578,911
1998	448,660,733	452,317,568	452,935,631	452,975,900	453,159,687
1999	478,925,504	483,717,639	485,252,017	485,572,450	485,440,645
2000	499,816,464	510,105,451	508,023,076	508,052,039	508,060,163
2001	494,139,577	501,761,686	502,671,629	503,203,863	
2002	521,387,936	529,534,675	531,145,335		
2003	537,475,817	547,204,102			
2004	540,779,130				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	0.999
1994		1.002	1.002	1.000
1995	1.001	1.005	1.001	1.000
1996	1.012	1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	
2002	1.016	1.003		
2003	1.018			

Five Year Average	1.016	1.001	1.001	1.000
Three Year Average	1.016	1.000	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.002	1.001
15 to 63 months:	1.018	1.017

(a) Losses are on a \$25,000 level for 2002-2004.
Losses are on a \$15,000 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					86,567,462
1992				92,590,587	93,221,469
1993			90,654,258	92,786,577	88,883,962
1994		77,800,801	92,655,750	91,041,151	90,152,444
1995	62,729,524	89,082,794	94,675,880	98,150,587	96,478,922
1996	68,978,086	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	
2002	66,861,543	93,148,172	101,727,960		
2003	74,401,487	103,801,908			
2004	89,800,192				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.007
1993			1.024	0.958
1994		1.191	0.983	0.990
1995	1.420	1.063	1.037	0.983
1996	1.281	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	
2002	1.393	1.092		
2003	1.395			
Five Year Average	1.409	1.128	1.041	0.999
Three Year Average	1.410	1.122	1.041	1.001
		Five Year	Three Year	
39 to 63 months:		1.040	1.042	
27 to 63 months:		1.173	1.169	
15 to 63 months:		1.653	1.648	

(a) Losses are on a 30/60 level for 2002-2004.
Losses are on a 25/50 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					11,426,488
1992				15,795,866	15,747,941
1993			7,530,021	7,432,759	7,261,139
1994		4,890,574	4,486,247	3,809,686	3,624,771
1995	5,629,842	7,303,030	5,744,273	5,565,059	5,550,016
1996	11,094,689	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	
2002	2,521,015	2,616,537	2,630,144		
2003	5,320,187	4,544,185			
2004	4,930,566				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.997
1993			0.987	0.977
1994		0.917	0.849	0.951
1995	1.297	0.787	0.969	0.997
1996	0.639	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	
2002	1.038	1.005		
2003	0.854			

Five Year Average	0.954	1.000	0.993	0.989
Three Year Average	0.948	0.999	0.993	0.990

	Five Year	Three Year
39 to 63 months:	0.982	0.983
27 to 63 months:	0.982	0.982
15 to 63 months:	0.937	0.931

(a) Losses are on a \$25,000 level for 2002-2004.
Losses are on a \$15,000 level for 1991-2001.

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-39.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					59,647
1992				65,822	66,715
1993			68,263	70,726	71,532
1994		74,334	79,659	82,174	83,184
1995	58,762	79,570	85,550	88,337	89,284
1996	60,777	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	
2002	60,245	81,132	87,177		
2003	60,906	82,199			
2004	61,763				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.014
1993			1.036	1.011
1994		1.072	1.032	1.012
1995	1.354	1.075	1.033	1.011
1996	1.361	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	
2002	1.347	1.075		
2003	1.350			
Five Year Average	1.352	1.073	1.034	1.011
Three Year Average	1.351	1.073	1.034	1.011
		Five Year	Three Year	
39 to 63 months:		1.045	1.045	
27 to 63 months:		1.121	1.121	
15 to 63 months:		1.516	1.514	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					142,018
1992				155,412	155,474
1993			167,219	167,448	167,514
1994		190,103	190,762	190,993	191,071
1995	197,501	202,382	203,110	203,377	203,471
1996	208,525	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	
2002	219,946	226,020	226,750		
2003	230,206	236,407			
2004	234,927				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	1.000
1994		1.003	1.001	1.000
1995	1.025	1.004	1.001	1.000
1996	1.025	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	
2002	1.028	1.003		
2003	1.027			

Five Year Average	1.028	1.002	1.001	1.000
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Three Year Average	1.026	1.000	1.001	1.000
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	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.003	1.001
15 to 63 months:	1.031	1.027

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					53,722
1992				57,277	57,334
1993			59,889	60,266	60,348
1994		64,930	66,053	66,461	66,539
1995	57,759	67,255	68,490	68,932	69,016
1996	57,210	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	
2002	52,732	60,717	61,839		
2003	51,306	58,999			
2004	49,281				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.006	1.001
1994		1.017	1.006	1.001
1995	1.164	1.018	1.006	1.001
1996	1.169	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	
2002	1.151	1.018		
2003	1.150			
Five Year Average	1.157	1.020	1.007	1.001
Three Year Average	1.149	1.019	1.008	1.001
		Five Year	Three Year	
39 to 63 months:		1.008	1.009	
27 to 63 months:		1.028	1.028	
15 to 63 months:		1.189	1.181	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					60,225
1992				67,605	67,312
1993			73,092	72,624	72,128
1994		85,579	84,589	84,346	83,857
1995	93,636	91,352	90,615	90,309	89,961
1996	96,404	94,473	94,022	93,916	93,519
1997	96,535	94,256	93,811	93,427	93,082
1998	93,726	91,239	90,712	90,465	89,985
1999	96,503	93,415	93,145	92,547	92,151
2000	94,009	92,101	91,137	90,663	90,349
2001	92,965	89,243	88,410	88,149	
2002	96,845	93,413	92,563		
2003	98,407	94,411			
2004	98,867				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.996
1993			0.994	0.993
1994		0.988	0.997	0.994
1995	0.976	0.992	0.997	0.996
1996	0.980	0.995	0.999	0.996
1997	0.976	0.995	0.996	0.996
1998	0.973	0.994	0.997	0.995
1999	0.968	0.997	0.994	0.996
2000	0.980	0.990	0.995	0.997
2001	0.960	0.991	0.997	
2002	0.965	0.991		
2003	0.959			

Five Year Average	0.966	0.993	0.996	0.996
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Three Year Average	0.961	0.991	0.995	0.996
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	Five Year	Three Year
39 to 63 months:	0.992	0.991
27 to 63 months:	0.985	0.982
15 to 63 months:	0.952	0.944

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
1991					142,080
1992				155,579	155,534
1993			167,607	167,625	167,569
1994		190,932	191,119	191,123	191,119
1995	202,092	203,290	203,409	203,482	203,511
1996	213,802	214,611	215,087	215,218	215,208
1997	213,462	215,052	215,487	215,587	215,600
1998	215,050	216,238	216,588	216,617	216,601
1999	221,998	223,310	223,277	223,319	223,301
2000	221,905	225,602	223,938	223,917	223,876
2001	221,341	222,619	222,858	222,923	
2002	225,129	226,768	227,050		
2003	235,482	236,947			
2004	239,528				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.000	1.000
1994		1.001	1.000	1.000
1995	1.006	1.001	1.000	1.000
1996	1.004	1.002	1.001	1.000
1997	1.007	1.002	1.000	1.000
1998	1.006	1.002	1.000	1.000
1999	1.006	1.000	1.000	1.000
2000	1.017	0.993	1.000	1.000
2001	1.006	1.001	1.000	
2002	1.007	1.001		
2003	1.006			
Five Year Average	1.008	0.999	1.000	1.000
Three Year Average	1.006	0.998	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		0.999	0.998	
15 to 63 months:		1.007	1.004	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					53,787
1992				57,422	57,389
1993			60,280	60,423	60,391
1994		66,188	66,510	66,604	66,592
1995	66,742	68,541	68,876	69,056	69,057
1996	66,485	68,189	68,540	68,706	68,723
1997	64,007	65,861	66,352	66,463	66,475
1998	60,062	61,536	61,751	61,932	61,904
1999	59,632	60,882	61,170	61,296	61,270
2000	58,978	60,351	60,685	60,899	60,840
2001	58,107	59,050	59,472	59,598	
2002	60,999	61,948	62,273		
2003	59,036	60,027			
2004	56,892				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.002	0.999
1994		1.005	1.001	1.000
1995	1.027	1.005	1.003	1.000
1996	1.026	1.005	1.002	1.000
1997	1.029	1.007	1.002	1.000
1998	1.025	1.003	1.003	1.000
1999	1.021	1.005	1.002	1.000
2000	1.023	1.006	1.004	0.999
2001	1.016	1.007	1.002	
2002	1.016	1.005		
2003	1.017			
Five Year Average	1.019	1.005	1.003	1.000
Three Year Average	1.016	1.006	1.003	1.000
		Five Year	Three Year	
39 to 63 months:		1.003	1.003	
27 to 63 months:		1.008	1.009	
15 to 63 months:		1.027	1.025	

See attached Exhibit (3)(g).

To the extent that such data are available, the corresponding earned premium and exposures are shown on page F-39.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			4,829
1994		11,245	4,930
1995	34,874	11,782	5,065
1996	35,627	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	
2004	37,104		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.438
1995	0.338	0.430
1996	0.330	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	
Five Year Average	0.333	0.451
Three Year Average	0.329	0.444
	Five Year	Three Year
27 to 39 months:	0.451	0.444
15 to 39 months:	0.150	0.146

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			388
1994		829	357
1995	4,591	908	299
1996	5,277	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	
2004	4,601		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.431
1995	0.198	0.329
1996	0.163	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	
Five Year Average	0.164	0.377
Three Year Average	0.141	0.433
	Five Year	Three Year
27 to 39 months:	0.377	0.433
15 to 39 months:	0.062	0.061

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Medical Payments Outstanding Claims as of		
	15 Months	27 Months	39 Months
1991			
1992			
1993			391
1994		1,258	457
1995	8,983	1,286	386
1996	9,275	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	
2004	7,611		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.363
1995	0.143	0.300
1996	0.144	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	
Five Year Average	0.149	0.340
Three Year Average	0.143	0.345
	Five Year	Three Year
27 to 39 months:	0.340	0.345
15 to 39 months:	0.051	0.049

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>
2000	4,514,197	4,514,197	3,565,423
2001	4,553,865	4,553,865	3,607,614
2002	4,660,842	4,660,842	3,699,155
2003	4,718,586	4,718,586	3,743,671
2004	4,824,973	4,824,973	3,815,987

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2000	1,140,232	1,140,232	641,778
2001	1,217,480	1,217,480	690,793
2002	1,269,514	1,269,514	733,076
2003	1,341,292	1,341,292	780,279
2004	1,424,007	1,424,007	830,083

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2000	603,938,199	491,607,059	84,777,510
2001	600,393,101	537,868,414	79,659,931
2002	603,339,789	593,112,925	79,901,772
2003	618,933,644	666,438,024	87,888,318
2004	651,088,681	651,808,019	96,013,186

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2000	274,423,872	210,423,177	27,736,105
2001	302,732,220	226,423,188	28,585,607
2002	301,372,966	270,507,009	26,320,893
2003	334,489,943	301,522,256	29,062,294
2004	349,776,888	294,762,159	29,932,761

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					280,303,499
1992				296,568,438	311,745,028
1993			281,463,841	316,030,295	329,451,280
1994		238,200,314	296,163,099	327,817,063	343,556,805
1995	130,991,018	251,257,511	311,681,282	347,496,187	363,133,994
1996	129,465,129	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	
2002	144,659,219	277,908,596	346,317,622		
2003	144,007,524	290,116,674			
2004	150,070,170				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.051
1993			1.123	1.042
1994		1.243	1.107	1.048
1995	1.918	1.240	1.115	1.045
1996	1.913	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	
2002	1.921	1.246		
2003	2.015			
Five Year Average	1.928	1.245	1.119	1.052
Three Year Average	1.960	1.245	1.121	1.053
		Five Year	Three Year	
39 to 63 months:		1.177	1.180	
27 to 63 months:		1.465	1.469	
15 to 63 months:		2.825	2.879	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					150,047,455
1992				166,344,486	166,489,638
1993			186,508,431	187,003,802	187,142,154
1994		214,330,544	215,578,679	216,029,312	216,165,173
1995	239,409,452	246,358,664	247,827,442	248,286,260	248,442,721
1996	267,348,373	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	
2002	330,325,524	341,696,639	343,743,769		
2003	336,393,949	347,871,948			
2004	336,418,727				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.003	1.001
1994		1.006	1.002	1.001
1995	1.029	1.006	1.002	1.001
1996	1.029	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	
2002	1.034	1.006		
2003	1.034			

Five Year Average	1.035	1.004	1.002	1.000
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Three Year Average	1.034	1.002	1.002	1.000
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	Five Year	Three Year
39 to 63 months:	1.002	1.002
27 to 63 months:	1.006	1.004
15 to 63 months:	1.041	1.038

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					43,855,454
1992				48,538,961	48,669,383
1993			50,220,650	50,891,176	51,090,326
1994		51,218,167	52,848,771	53,507,780	53,716,208
1995	44,328,662	54,327,371	56,077,515	56,849,656	57,077,554
1996	43,815,406	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	
2002	51,922,666	62,694,663	65,325,155		
2003	52,255,242	64,218,044			
2004	50,890,226				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.003
1993			1.013	1.004
1994		1.032	1.012	1.004
1995	1.226	1.032	1.014	1.004
1996	1.231	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	
2002	1.207	1.042		
2003	1.229			
Five Year Average	1.221	1.040	1.017	1.004
Three Year Average	1.217	1.041	1.017	1.003
		Five Year	Three Year	
39 to 63 months:		1.021	1.020	
27 to 63 months:		1.062	1.062	
15 to 63 months:		1.297	1.292	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					288,677,575
1992				320,563,129	321,126,705
1993			336,252,958	340,762,907	338,244,071
1994		335,405,608	352,142,906	353,841,908	352,363,980
1995	328,948,315	359,215,804	371,290,988	375,756,132	372,286,476
1996	331,171,423	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	
2002	353,667,044	389,313,941	403,078,765		
2003	357,539,084	400,924,950			
2004	381,086,400				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.002
1993			1.013	0.993
1994		1.050	1.005	0.996
1995	1.092	1.034	1.012	0.991
1996	1.093	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	
2002	1.101	1.035		
2003	1.121			
Five Year Average	1.100	1.044	1.020	1.004
Three Year Average	1.107	1.045	1.022	1.005
		Five Year	Three Year	
39 to 63 months:		1.024	1.027	
27 to 63 months:		1.069	1.073	
15 to 63 months:		1.176	1.188	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					150,192,782
1992				166,750,601	166,652,641
1993			187,565,217	187,432,571	187,222,148
1994		216,191,459	216,381,905	216,423,305	216,276,852
1995	246,940,787	248,579,299	248,574,801	248,651,994	248,616,262
1996	276,267,426	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	
2002	338,996,505	343,527,271	344,531,462		
2003	345,413,531	349,415,194			
2004	344,995,813				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			0.999	0.999
1994		1.001	1.000	0.999
1995	1.007	1.000	1.000	1.000
1996	1.002	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	
2002	1.013	1.003		
2003	1.012			
Five Year Average	1.011	1.000	1.000	1.000
Three Year Average	1.012	0.999	1.000	1.000

	Five Year	Three Year
39 to 63 months:	1.000	1.000
27 to 63 months:	1.000	0.999
15 to 63 months:	1.011	1.011

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					43,911,545
1992				48,683,681	48,715,791
1993			50,631,038	51,132,691	51,167,927
1994		52,480,345	53,315,956	53,658,630	53,775,408
1995	52,213,324	55,858,728	56,528,216	57,004,741	57,154,627
1996	52,573,003	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	
2002	60,543,949	64,654,043	65,892,613		
2003	60,952,465	66,186,274			
2004	60,074,640				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.010	1.001
1994		1.016	1.006	1.002
1995	1.070	1.012	1.008	1.003
1996	1.054	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	
2002	1.068	1.019		
2003	1.086			
Five Year Average	1.068	1.020	1.010	1.005
Three Year Average	1.073	1.021	1.010	1.006

	Five Year	Three Year
39 to 63 months:	1.015	1.016
27 to 63 months:	1.035	1.037
15 to 63 months:	1.105	1.113

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					219,961,241
1992				247,394,048	247,614,863
1993			260,872,946	263,488,539	264,719,945
1994		273,691,532	279,656,754	282,437,524	281,983,940
1995	277,278,031	286,329,745	294,934,944	296,364,163	294,571,781
1996	274,596,872	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	
2002	297,658,702	311,450,105	319,847,860		
2003	295,844,986	316,186,188			
2004	307,303,201				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.010	1.005
1994		1.022	1.010	0.998
1995	1.033	1.030	1.005	0.994
1996	1.056	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	
2002	1.046	1.027		
2003	1.069			
Five Year Average	1.041	1.023	1.014	1.005
Three Year Average	1.048	1.026	1.016	1.005

	Five Year	Three Year
39 to 63 months:	1.019	1.021
27 to 63 months:	1.042	1.048
15 to 63 months:	1.085	1.098

(a) Losses are on a 30/60 level for 2002-2004.
 Losses are on a 25/50 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					141,177,009
1992				153,765,981	153,699,913
1993			181,470,505	181,513,053	181,409,030
1994		212,646,687	212,908,260	213,555,881	213,535,132
1995	243,317,459	242,927,095	244,554,516	244,741,870	244,723,257
1996	267,813,166	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	
2002	337,116,430	341,671,564	342,630,222		
2003	340,874,531	345,542,595			
2004	341,071,267				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.000	0.999
1994		1.001	1.003	1.000
1995	0.998	1.007	1.001	1.000
1996	1.015	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	
2002	1.014	1.003		
2003	1.014			
Five Year Average	1.013	1.000	1.000	1.000
Three Year Average	1.013	0.999	1.000	1.000

	Five Year	Three Year
39 to 63 months:	1.000	1.000
27 to 63 months:	1.000	0.999
15 to 63 months:	1.013	1.012

(a) Losses are on a \$25,000 level for 2002-2004.
 Losses are on a \$15,000 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Bodily Injury Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					36,661
1992				40,616	41,187
1993			41,056	42,498	42,971
1994		41,893	44,983	46,413	47,020
1995	33,627	45,092	48,533	50,192	50,828
1996	34,069	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	
2002	35,848	47,874	51,346		
2003	35,861	47,815			
2004	35,604				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.014
1993			1.035	1.011
1994		1.074	1.032	1.013
1995	1.341	1.076	1.034	1.013
1996	1.345	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	
2002	1.335	1.073		
2003	1.333			
Five Year Average	1.335	1.073	1.035	1.012
Three Year Average	1.337	1.072	1.036	1.012
		Five Year	Three Year	
39 to 63 months:		1.047	1.048	
27 to 63 months:		1.123	1.123	
15 to 63 months:		1.499	1.501	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					90,690
1992				100,921	100,951
1993			108,048	108,183	108,219
1994		118,834	119,170	119,278	119,329
1995	124,064	126,722	127,128	127,315	127,384
1996	129,357	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	
2002	142,112	145,639	146,073		
2003	142,890	146,241			
2004	143,403				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	1.000
1994		1.003	1.001	1.000
1995	1.021	1.003	1.001	1.001
1996	1.021	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	
2002	1.025	1.003		
2003	1.023			
Five Year Average	1.024	1.000	1.001	1.000
Three Year Average	1.022	0.998	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.001	0.999	
15 to 63 months:		1.025	1.021	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1991					34,883
1992				37,736	37,777
1993			38,812	39,057	39,119
1994		40,300	41,013	41,282	41,347
1995	35,943	41,594	42,381	42,696	42,761
1996	34,816	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	
2002	34,276	39,705	40,510		
2003	33,240	38,284			
2004	31,189				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.006	1.002
1994		1.018	1.007	1.002
1995	1.157	1.019	1.007	1.002
1996	1.165	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	
2002	1.158	1.020		
2003	1.152			
Five Year Average	1.160	1.021	1.008	1.002
Three Year Average	1.152	1.021	1.008	1.002
		Five Year	Three Year	
39 to 63 months:		1.010	1.010	
27 to 63 months:		1.031	1.031	
15 to 63 months:		1.196	1.188	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1991					36,996
1992				41,708	41,542
1993			43,975	43,611	43,339
1994		48,743	47,953	47,831	47,488
1995	54,645	52,590	51,948	51,632	51,346
1996	55,300	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	
2002	57,489	55,279	54,650		
2003	57,432	55,024			
2004	56,878				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.996
1993			0.992	0.994
1994		0.984	0.997	0.993
1995	0.962	0.988	0.994	0.994
1996	0.962	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	
2002	0.962	0.989		
2003	0.958			

Five Year Average	0.957	0.988	0.993	0.994
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Three Year Average	0.959	0.988	0.992	0.994
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	Five Year	Three Year
39 to 63 months:	0.987	0.986
27 to 63 months:	0.975	0.974
15 to 63 months:	0.933	0.934

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					90,717
1992				101,010	100,980
1993			108,279	108,262	108,244
1994		119,329	119,372	119,348	119,361
1995	126,717	127,321	127,327	127,392	127,415
1996	132,697	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	
2002	145,234	146,083	146,229		
2003	145,932	146,602			
2004	146,263				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.000	1.000
1994		1.000	1.000	1.000
1995	1.005	1.000	1.001	1.000
1996	1.000	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	
2002	1.006	1.001		
2003	1.005			
Five Year Average	1.006	0.998	1.000	1.000
Three Year Average	1.004	0.996	1.000	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.000	
27 to 63 months:		0.998	0.996	
15 to 63 months:		1.004	1.000	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					34,913
1992				37,807	37,803
1993			39,044	39,142	39,139
1994		41,006	41,261	41,363	41,377
1995	41,343	42,437	42,642	42,791	42,790
1996	40,669	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	
2002	39,568	40,472	40,791		
2003	38,088	38,982			
2004	35,941				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.003	1.000
1994		1.006	1.002	1.000
1995	1.026	1.005	1.003	1.000
1996	1.021	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	
2002	1.023	1.008		
2003	1.023			
Five Year Average	1.021	1.007	1.003	0.999
Three Year Average	1.021	1.007	1.003	0.999
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.009	1.009	
15 to 63 months:		1.030	1.030	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			2,919
1994		6,850	2,970
1995	21,018	7,498	3,415
1996	21,231	7,393	3,412
1997	21,110	7,440	3,432
1998	21,062	7,279	3,389
1999	22,569	7,746	3,581
2000	21,407	7,568	3,498
2001	21,505	7,362	3,354
2002	21,641	7,405	3,304
2003	21,571	7,209	
2004	21,274		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.434
1995	0.357	0.455
1996	0.348	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	
Five Year Average	0.343	0.458
Three Year Average	0.339	0.455
	Five Year	Three Year
27 to 39 months:	0.458	0.455
15 to 39 months:	0.157	0.154

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Property Damage Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			231
1994		495	202
1995	2,653	599	199
1996	3,340	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		
2004	2,860		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.408
1995	0.226	0.332
1996	0.176	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	

Five Year Average	0.151	0.354
Three Year Average	0.139	0.359

Five Year Three Year

27 to 39 months:	0.354	0.359
15 to 39 months:	0.053	0.050

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Medical Payments Outstanding Claims as of			
Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			232
1994		706	248
1995	5,400	843	261
1996	5,853	948	329
1997	5,519	940	370
1998	5,559	953	335
1999	6,042	987	385
2000	5,524	900	305
2001	5,077	761	274
2002	5,292	767	281
2003	4,848	698	
2004	4,752		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.351
1995	0.156	0.310
1996	0.162	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	
Five Year Average	0.153	0.361
Three Year Average	0.146	0.355
	Five Year	Three Year
27 to 39 months:	0.361	0.355
15 to 39 months:	0.055	0.052

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					177,600,520
1992				191,143,043	196,678,406
1993			183,103,082	198,049,423	203,458,369
1994		175,548,231	205,915,950	222,465,506	228,576,147
1995	95,985,226	174,336,112	205,414,915	221,303,468	225,944,484
1996	98,979,131	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	
2002	102,289,306	184,853,613	221,045,443		
2003	110,749,414	202,280,862			
2004	116,558,278				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.029
1993			1.082	1.027
1994		1.173	1.080	1.027
1995	1.816	1.178	1.077	1.021
1996	1.802	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	
2002	1.807	1.196		
2003	1.826			
Five Year Average	1.814	1.179	1.079	1.028
Three Year Average	1.826	1.180	1.080	1.028
		Five Year	Three Year	
39 to 63 months:		1.109	1.110	
27 to 63 months:		1.308	1.310	
15 to 63 months:		2.373	2.392	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					91,827,074
1992				99,268,241	99,442,646
1993			108,087,180	108,436,324	108,610,292
1994		126,539,247	127,446,652	127,936,707	128,042,881
1995	135,086,610	140,546,052	141,650,662	141,940,120	142,048,456
1996	156,527,113	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	
2002	179,578,413	187,751,960	188,814,992		
2003	192,140,141	201,809,632			
2004	195,603,006				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.002
1993			1.003	1.002
1994		1.007	1.004	1.001
1995	1.040	1.008	1.002	1.001
1996	1.044	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	
2002	1.046	1.006		
2003	1.050			

Five Year Average	1.051	1.007	1.002	1.000
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Three Year Average	1.048	1.007	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	1.009
15 to 63 months:	1.060	1.057

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					21,237,930
1992				23,008,403	23,044,648
1993			23,443,277	23,586,488	23,604,567
1994		24,472,746	24,870,253	25,028,212	25,054,150
1995	21,020,960	24,977,571	25,454,679	25,591,758	25,606,118
1996	21,117,150	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	
2002	20,910,182	24,250,846	24,714,251		
2003	21,349,818	24,815,033			
2004	22,269,929				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.002
1993			1.006	1.001
1994		1.016	1.006	1.001
1995	1.188	1.019	1.005	1.001
1996	1.192	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	
2002	1.160	1.019		
2003	1.162			

Five Year Average	1.170	1.020	1.007	1.001
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Three Year Average	1.164	1.021	1.007	1.001
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	Five Year	Three Year
39 to 63 months:	1.008	1.008
27 to 63 months:	1.028	1.029
15 to 63 months:	1.203	1.198

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					181,752,051
1992				202,282,739	200,780,568
1993			207,699,572	208,487,802	206,916,210
1994		226,615,836	233,088,200	233,331,500	231,454,363
1995	211,291,368	226,665,473	228,518,512	229,930,990	228,709,369
1996	222,473,346	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	
2002	215,250,172	236,983,491	247,518,638		
2003	232,679,660	261,971,315			
2004	248,338,211				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.993
1993			1.004	0.992
1994		1.029	1.001	0.992
1995	1.073	1.008	1.006	0.995
1996	1.049	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	
2002	1.101	1.044		
2003	1.126			
Five Year Average	1.093	1.026	1.009	1.000
Three Year Average	1.103	1.032	1.012	1.001
		Five Year	Three Year	
39 to 63 months:		1.009	1.013	
27 to 63 months:		1.035	1.045	
15 to 63 months:		1.131	1.153	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					91,988,997
1992				99,729,032	99,683,158
1993			108,720,068	108,939,067	108,825,115
1994		128,082,658	128,266,216	128,209,521	128,115,751
1995	141,503,780	141,878,888	142,135,035	142,123,346	142,108,158
1996	164,084,547	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	
2002	184,912,446	188,623,941	189,244,017		
2003	197,382,473	202,333,093			
2004	200,713,883				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.002	0.999
1994		1.001	1.000	0.999
1995	1.003	1.002	1.000	1.000
1996	1.003	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	
2002	1.020	1.003		
2003	1.025			
Five Year Average	1.022	1.003	1.001	1.000
Three Year Average	1.022	1.004	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.004	1.005	
15 to 63 months:		1.026	1.027	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					21,283,772
1992				23,110,463	23,096,970
1993			23,640,022	23,668,349	23,630,626
1994		25,148,709	25,087,010	25,086,747	25,074,544
1995	25,403,543	25,613,125	25,648,559	25,661,644	25,652,374
1996	25,431,663	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	
2002	23,863,381	24,721,670	24,918,855		
2003	24,446,885	25,192,828			
2004	25,197,147				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.001	0.998
1994		0.998	1.000	1.000
1995	1.008	1.001	1.001	1.000
1996	1.010	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	
2002	1.036	1.008		
2003	1.031			
Five Year Average	1.035	1.006	1.002	1.000
Three Year Average	1.037	1.009	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.008	1.011	
15 to 63 months:		1.043	1.048	

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					163,900,923
1992				182,861,233	181,070,941
1993			193,060,772	193,651,039	192,223,320
1994		211,643,234	213,987,391	214,862,522	212,876,748
1995	200,834,911	211,076,172	210,810,908	211,795,604	210,556,254
1996	210,069,811	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	
2002	204,396,971	221,699,155	229,021,583		
2003	219,972,271	242,908,169			
2004	232,321,218				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.990
1993			1.003	0.993
1994		1.011	1.004	0.991
1995	1.051	0.999	1.005	0.994
1996	1.034	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	
2002	1.085	1.033		
2003	1.104			
Five Year Average	1.073	1.017	1.006	1.001
Three Year Average	1.081	1.022	1.010	1.002
		Five Year	Three Year	
39 to 63 months:		1.007	1.012	
27 to 63 months:		1.024	1.034	
15 to 63 months:		1.099	1.118	

(a) Losses are on a 30/60 level for 2002-2004.
Losses are on a 25/50 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Basic Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					89,578,282
1992				96,917,786	96,887,945
1993			107,288,410	107,429,477	107,380,745
1994		126,741,476	127,258,234	127,271,879	127,237,320
1995	139,502,806	140,237,454	140,420,439	140,477,803	140,460,539
1996	161,444,118	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	
2002	184,271,506	187,863,111	188,515,113		
2003	196,601,286	201,661,507			
2004	199,707,863				

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	1.000
1994		1.004	1.000	1.000
1995	1.005	1.001	1.000	1.000
1996	1.007	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	
2002	1.019	1.003		
2003	1.026			
Five Year Average	1.022	1.003	1.001	1.000
Three Year Average	1.022	1.004	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.004	1.005	
15 to 63 months:		1.026	1.027	

(a) Losses are on a \$25,000 level for 2002-2004.
Losses are on a \$15,000 level for 1991-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					22,986
1992				25,206	25,528
1993			26,895	27,910	28,240
1994		32,141	34,358	35,440	35,841
1995	24,913	34,193	36,716	37,835	38,143
1996	26,708	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	
2002	24,397	33,258	35,831		
2003	25,045	34,384			
2004	26,159				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.013
1993			1.038	1.012
1994		1.069	1.031	1.011
1995	1.372	1.074	1.030	1.008
1996	1.381	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	
2002	1.363	1.077		
2003	1.373			
Five Year Average	1.375	1.074	1.032	1.010
Three Year Average	1.371	1.073	1.033	1.010
		Five Year	Three Year	
39 to 63 months:		1.042	1.043	
27 to 63 months:		1.119	1.119	
15 to 63 months:		1.539	1.534	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					51,328
1992				54,491	54,523
1993			58,340	58,433	58,463
1994		70,431	70,752	70,874	70,901
1995	72,562	74,773	75,089	75,169	75,194
1996	79,168	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	
2002	77,834	80,381	80,677		
2003	87,316	90,166			
2004	91,524				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.002	1.001
1994		1.005	1.002	1.000
1995	1.030	1.004	1.001	1.000
1996	1.031	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	
2002	1.033	1.004		
2003	1.033			

Five Year Average	1.035	1.005	1.001	1.000
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Three Year Average	1.034	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:	1.006	1.006
15 to 63 months:	1.041	1.040

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Paid Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					18,839
1992				19,541	19,557
1993			20,819	20,949	20,969
1994		24,342	24,745	24,879	24,890
1995	21,556	25,375	25,815	25,942	25,959
1996	22,394	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	
2002	18,456	21,012	21,329		
2003	18,066	20,715			
2004	18,092				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.001
1993			1.006	1.001
1994		1.017	1.005	1.000
1995	1.177	1.017	1.005	1.001
1996	1.174	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	
2002	1.138	1.015		
2003	1.147			
Five Year Average	1.151	1.016	1.005	1.001
Three Year Average	1.144	1.017	1.006	1.001
		Five Year	Three Year	
39 to 63 months:		1.006	1.007	
27 to 63 months:		1.022	1.024	
15 to 63 months:		1.176	1.171	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Bodily Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					23,229
1992				25,897	25,770
1993			28,796	28,692	28,468
1994		36,513	36,311	36,189	36,045
1995	38,665	38,448	38,351	38,363	38,301
1996	41,104	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	
2002	39,356	38,134	37,913		
2003	40,975	39,387			
2004	41,989				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.995
1993			0.996	0.992
1994		0.994	0.997	0.996
1995	0.994	0.997	1.000	0.998
1996	1.004	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	
2002	0.969	0.994		
2003	0.961			
Five Year Average	0.980	0.999	1.000	0.998
Three Year Average	0.964	0.994	0.999	0.997
		Five Year	Three Year	
39 to 63 months:		0.998	0.996	
27 to 63 months:		0.997	0.990	
15 to 63 months:		0.977	0.954	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1991					51,363
1992				54,569	54,554
1993			58,493	58,530	58,493
1994		70,761	70,907	70,934	70,917
1995	74,464	75,077	75,189	75,196	75,203
1996	81,105	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	
2002	79,895	80,685	80,821		
2003	89,550	90,345			
2004	93,265				

Accident Year	Claim Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				1.000
1993			1.001	0.999
1994		1.002	1.000	1.000
1995	1.008	1.001	1.000	1.000
1996	1.010	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	
2002	1.010	1.002		
2003	1.009			
Five Year Average	1.014	1.002	1.000	1.000
Three Year Average	1.011	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.001	
27 to 63 months:		1.002	1.004	
15 to 63 months:		1.016	1.015	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1991					18,874
1992				19,615	19,586
1993			20,977	21,021	20,992
1994		24,888	24,950	24,938	24,913
1995	25,117	25,810	25,938	25,970	25,970
1996	25,816	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	
2002	21,431	21,476	21,482		
2003	20,948	21,045			
2004	20,951				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.002	0.999
1994		1.002	1.000	0.999
1995	1.028	1.005	1.001	1.000
1996	1.034	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	
2002	1.002	1.000		
2003	1.005			
Five Year Average	1.015	1.002	1.001	1.000
Three Year Average	1.008	1.003	1.002	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.002	
27 to 63 months:		1.003	1.005	
15 to 63 months:		1.018	1.013	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1991			
1992			
1993			1,901
1994		4,372	1,953
1995	13,752	4,255	1,635
1996	14,396	4,372	1,709
1997	14,318	4,194	1,930
1998	13,621	4,355	1,872
1999	14,089	4,292	2,082
2000	13,063	4,469	1,846
2001	14,239	4,234	1,862
2002	14,959	4,876	2,082
2003	15,930	5,003	
2004	15,830		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.447
1995	0.309	0.384
1996	0.304	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	
Five Year Average	0.317	0.439
Three Year Average	0.312	0.427
	Five Year	Three Year
27 to 39 months:	0.439	0.427
15 to 39 months:	0.139	0.133

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Property Damage Outstanding Claims as of		
	15 Months	27 Months	39 Months
1991			
1992			
1993			153
1994		330	155
1995	1,902	304	100
1996	1,937	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	
2004	1,741		

Accident Year	Claim Development Factors	
	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.470
1995	0.160	0.329
1996	0.140	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	
Five Year Average		
	0.184	0.412
Three Year Average		
	0.146	0.530
Five Year		
Three Year		
27 to 39 months:	0.412	0.530
15 to 39 months:	0.076	0.077

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Accident Year	Medical Payments Outstanding Claims as of		
	15 Months	27 Months	39 Months
1991			158
1992			205
1993			123
1994		546	124
1995	3,561	435	152
1996	3,422	385	90
1997	3,143	348	144
1998	2,947	504	144
1999	3,031	434	121
2000	2,502	366	153
2001	2,487	350	
2002	2,975	464	
2003	2,882	330	
2004	2,859		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1992		
1993		
1994		0.375
1995	0.122	0.283
1996	0.113	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	
Five Year Average	0.140	0.297
Three Year Average	0.137	0.325
	Five Year	Three Year
27 to 39 months:	0.297	0.325
15 to 39 months:	0.042	0.045

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

Responses provided in connection with items (3)(i) and (7)(c) in the Rate Bureau's February 1, 2006 filing are enclosed herewith.



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

January 4th, 2005

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. Because there have been no changes in practice since the time this request was completed last year, the responses below are identical to those submitted in last year's memorandum.

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.

There has been **no** expense cutting initiatives made in the last year. The last expense cutting initiative 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

Tim Lucas
January 10th, 2005
Page 2

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 was more intended to increase efficiency rather than cut costs. For these reasons, Allstate wants to make the North Carolina Rate Bureau aware of it's 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



ERIE INSURANCE GROUP

Home Office • 100 Erie Insurance Place • Erie, Pennsylvania 16530 • (814) 870-2000
Toll Free 1-800-458-0811 • Fax (814) 870-3126 • <http://www.erie-insurance.com>

Kevin L. Russell,
Supervisor,
Commercial Pricing II and Reserving
Erie Insurance Group
100 Erie Insurance Place
Erie, Pennsylvania 16530
Telephone (814) 870 - 3395
Fax (814) 870 - 4383
kevin.russell@erieinsurance.com

Dec 28, 2005

TO: Debbie Pruitt
Support Assistant III
NORTH CAROLINA RATE BUREAU
5401 Six Forks Road
Raleigh NC 27609
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 2005, and so the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2005 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-102

GEICO

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

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2006

VIA FACSIMILE AND REGULAR MAIL

Mr. Tim Lucas
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

RE: GEICO Indemnity Company (GEICO Indemnity)- Bureau Letter Asking
for Reserve Strengthening and Expense Cutting Data

Dear Mr. Lucas:

GEICO Indemnity did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at GEICO Indemnity and for that reason it 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.

As for reserve strengthening, the criteria used by GEICO Indemnity in North Carolina for establishing case reserves for the accident year ended December 31, 2004 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,



Bonny Gordon
Senior Counsel
301-986-2653

RECEIVED

JAN 06 2006

N.C. RATE BUREAU



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

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2006

VIA FACSIMILE AND REGULAR MAIL

Mr. Tim Lucas
North Carolina Rate Bureau
5401 Six Forks Road
Raleigh, North Carolina 27609

RE: Government Employees Insurance Company (GEICO)- Bureau Letter
Asking for Reserve Strengthening and Expense Cutting Data

Dear Mr. Lucas:

GEICO did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at GEICO and for that reason it 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.

As for reserve strengthening, the criteria used by GEICO in North Carolina for establishing case reserves for the accident year ended December 31, 2004 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,

Bonny Gordon
Senior Counsel
301-986-2653

RECEIVED

JAN 06 2006

N.C. RATE BUREAU

December 19, 2005

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



National Headquarters
5210 Belfort Road
Suite 120
Jacksonville, FL 32256
Phone: (904)245-5600
Fax: (904)245-5601

December 29, 2005

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

Re: Reserve Strengthening
11 N.C.A.C. 10.1104 (3) (i)
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. Direct reporting of claims to a company 24/7 800 number, a national contract with a glass replacement company and company appraisals at dealerships or body shops at the choice of the customer has reduced the comprehensive and collision paid losses. This reduction is not expected to significantly increase in 2006.

Amy G. Brown
Regional Product Manager
Kemper Auto and Home, a Unitrin Company
904-245-5635
abrown@kahg.com

F-106

VIA FAX

January 5, 2006

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

Re: Insurance Department Regulations

Dear Mr. Lucas:

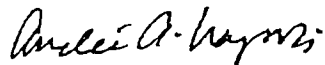
In response to your letter of December 15, 2005, I am providing the following information concerning expense cutting activities and reserve strengthening for Nationwide Mutual Insurance Company and Nationwide Mutual Fire Insurance Company.

We reported significant changes for reserve strengthening in last year's letter dated January 12, 2004. Those comments from last year's letter continue to apply as relevant this year. There are no additional known material changes to reserve strengthening which have not been previously reported.

With respect to our expenses, Nationwide adopted a new expense allocation method beginning with the expenses for 1999, which we reported in this letter in earlier years. As a result, more expenses were allocated to physical damage and less to liability than had been allocated in the past. This system is still in place, and we expect to see similarly distributed expenses for the new year of data. Other than this allocation change, we do not have any material expense cutting activities to report.

If you have any questions, please contact Dan Myers at (614) 249-5955 or myersda@nationwide.com.

Sincerely,



Andre A Napoli
Vice President -
Personal Lines Pricing

AAN/dm



**North Carolina
Farm Bureau Insurance Group**

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

January 3, 2006

Mr. Tim Lucas
N.C. Rate Bureau
PO Box 176010
Raleigh, NC 27619-6010

RE: Farm Bureau Insurance of N.C., Inc.
Insurance Department Regulations
North Carolina Homeowners
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, A&R & Fin/Inv

RB/cww

F-108

RECEIVED

JAN 04 2006

N.C. RATE BUREAU

North Carolina Farm Bureau Mutual Insurance Company, Inc.
Farm Bureau Insurance of N.C., Inc.
Visit Us On The Web At: www.ncfbins.com



North Carolina Farm Bureau Insurance Group

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

January 3, 2006

Mr. Tim Lucas
N.C. Rate Bureau
PO Box 176010
Raleigh, NC 27619-6010

RE: North Carolina Farm Bureau Mutual Insurance Company
Insurance Department Regulations
North Carolina Homeowners
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, A&R & Fin/Inv

RB/cww

RECEIVED
JAN 04 2006
N.C. RATE BUREAU

F-109

North Carolina Farm Bureau Mutual Insurance Company, Inc.
Farm Bureau Insurance of N.C., Inc.
Visit Us On The Web At: www.ncfbins.com

January 13, 2005

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 ended December 31, 2005 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) then Progressive carries the adjuster's estimate. 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 that is built into the case table.

The IBNR reserves are maintained between reviews utilizing an algorithm that establishes balances based on a factor applied to the past Earned Premium varying by 3 month intervals. The factors vary by product and coverage.

Progressive's actuarial area develops an indication of the needed reserves for North Carolina Bodily Injury (BI) coverage two times each year. During 2005 the North Carolina BI reviews were completed on the Direct, Ceded, and Net business separately. The last review completed in 2005 included data evaluated through July 31, 2005. As a result of this last review the carried balance of \$39.2 million of direct loss reserves (\$31.9 million ceded & \$7.3 million net) were decreased by approximately \$4.2 million which is over 10% of the carried reserve as we are seeing favorable trends regarding the development of our carried case reserves.

Loss Adjusting Expense (LAE) reserves for the Bodily Injury (BI) coverage is reviewed two times a year. In the first half of the year we review the North Carolina BI LAE reserve for the state separately and the second half of the year we review all coverages in a combined review of 8 states and District of Columbia in Progressive's Mid Atlantic region. The latest review included data evaluated through September 30, 2005. As a result of this review North Carolina direct LAE reserves (both Defense and Cost Containment (DCC) and Adjusting Expense combined) of \$7.4 million were increased by \$200,000.

Generally, there has not been a change to Progressive's Objective regarding reserving and the process has been very consistent for the past six years in regard to loss reserves while the reviews of LAE reserves have been enhanced in the last few years incorporating more North Carolina specific information 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 not undertaken any expense cutting activities over the last five years on our private passenger non-fleet motor vehicle coverages that would materially 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,

Allan R Neis, FCAS, MAAA
Corporate Actuary

State Farm Mutual Automobile Insurance Company



Kathy Popejoy, FCAS, MAAA
Actuary and Assistant Secretary-Treasurer

One State Farm Plaza, D4
Bloomington, Illinois 61710
Phone: 309.766.2325
Fax: 309.766.5021
E-mail: Kathy.Popejoy.A0GQ@STATEFARM.com

January 4, 2006

VIA FACSIMILE

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

Dear Ms. Pruitt:

RE: Reserve Strengthening and Expense Cutting Activities

Your email dated December 15, 2005 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,

Kathy Popejoy
Actuary and Assistant Secretary-Treasurer

KP:kw

HOME OFFICE: BLOOMINGTON, ILLINOIS 61710-0001



9800 Fredericksburg Road
San Antonio, Texas 78288

December 30, 2005

North Carolina Rate Bureau
P. O. Box 176010
Raleigh, North Carolina 27619-6010

ATTENTION: F. Timothy Lucas
Personal Lines Manager

REGARDING: United Services Automobile Association
USAA Casualty Insurance Company

Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities

Dear Mr. Lucas:

In response to your letter dated December 15, 2005, we are furnishing the following statements with respect to reserve strengthening and expense cutting activities at USAA over the past five years.

RESERVE STRENGTHENING
11 N.C.A.C. 10.1104(3)(i)

The criteria used by USAA in North Carolina for establishing case basis reserves for the accident year ended December 31, 2004 have not changed materially from those used over the latest five years.

EXPENSE CUTTING ACTIVITIES
11 N.C.A.C. 10.1104(7)(c)

The following programs have been implemented over the past five years to contain or reduce expenses and to maintain or improve customer service levels:

- STARS – Auto and Property (Direct Repair Facilities)
- STARS EFT
- Subrogation EDI/EFT
- Glass EDI
- Auto Rental and Salvage EDI
- Automated Medical Payment Process
- Electronic Medical Bills Processing
- Electronic Estimate Audit
- Legal Fee Bill Audit Program
- Centralized Court Reporting

EXPENSE CUTTING ACTIVITIES

11 N.C.A.C. 10.1104(7)(c)

(Continued)

- Legal Expense Study
- Expanded use of Legal PPO (Preferred Providers)
- Claims Assignment and Digital Photo
- Claims Operational System
- Claims Image
- Claims Documentation/On-line Procedures
- Common Hardware Platform (Auto, Property & Casualty)
- Emergency Roadside Assist (ASI Alliance Partner)
- 24 Hour Contact
- Grow Your Own Program (training Appraisers to conduct Adjusting functions)
- Subrogation Center of Excellence
- Total Loss Center of Excellence
- Global Call Routing (IRU)
- Elimination of staff Casualty Field Adjusters in North Carolina
- Restructuring of Independent Adjuster utilization
- Restructuring of Auto Physical Damage Manager and Specialists positions

While these programs have helped to contain costs, they would not distort historical expense levels for use in projecting expenses for the year beginning January 1, 2006.

To facilitate our timely response, please address requests for future statements to me at:

2100 ATTN Regulatory Compliance G3E E1
USAA
9800 Fredericksburg Road
San Antonio, Texas 78284-8496

If there are any questions, please contact me by telephone at (800) 531-8722, extension 82575, or by e-mail to kathy.blair@usaa.com. My facsimile number is (877) 851-6493.

Sincerely,



KATHY BLAIR, CPCU
Compliance Analyst
Regulatory Compliance

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
SUMMARY OF SELECTED TREND FACTORS

<u>Loss Trends</u>	<u>Cost</u>	<u>Frequency</u>	<u>Total</u>
Bodily Injury (B/L)	1.9%	-0.5%	1.4%
Bodily Injury (T/L)	3.0%		
Property Damage	0.0%	0.0%	0.0%
Medical Payments	3.5%	-3.5%	-0.1%
<u>Expense Trend</u>			3.5%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2002 and 2003

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2004 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2002	1.018	0.968	0.985	1.014	1.005
	2003	1.015	0.974	0.989	1.014	1.008
	2004	1.000	1.000	1.000	1.014	1.014
Property Damage	2002	0.969	1.008	0.977	1.000	0.995
	2003	0.988	0.987	0.975	1.000	0.994
	2004	1.000	1.000	1.000	1.000	1.000
Medical Payments	2002	1.069	0.893	0.955	0.999	0.990
	2003	1.050	0.933	0.980	0.999	0.994
	2004	1.000	1.000	1.000	0.999	0.999

(a) 2002 Claim Cost Change = (2004 Claim Cost) / (2002 Claim Cost).
2003 Claim Cost Change = (2004 Claim Cost) / (2003 Claim Cost).

(b) 2002 Claim Frequency Change = (2004 Claim Frequency)
/ (2002 Claim Frequency). 2003 Claim Frequency Change =
(2004 Claim Frequency) / (2003 Claim Frequency).

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

(d) Annualized Trend for 2002 and 2003
$$= \left[\frac{\text{COL}(5)}{\text{COL}(4)^{1/n}} \right]^m$$

where m is the number of years of projection of the 2004 trend factor from 7/1/2004 to 7/12/2007, 3.03, Col (4) represents the Current Cost Factor to 7/1/2004, and n represents the number of years of projection for a given prior year, 4.03 for 2003 and 5.03 for 2002.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2002 and 2003

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2002	\$ 6,292	1.54
	2003	6,307	1.53
	2004	6,404	1.49
Property Damage	2002	\$ 2,628	3.81
	2003	2,576	3.89
	2004	2,546	3.84
Medical Payments	2002	\$ 1,615	1.40
	2003	1,644	1.34
	2004	1,727	1.25

- (a) Paid Claim Cost for all liability coverages is All Carrier trend data, as shown on pages F-127 and F-129.
- (b) Incurred Claim Frequency for all liability coverages is based on All Carrier developed statistical plan data.

ISO-NALI-NISS FAST TRACK

STATE: NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE - BI TOTAL LIMITS

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	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	ARISING CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2000	767,423	9,368	13,631	65,314,704	1.22		6,972		85.11		1.78	
6/2000	753,593	9,189	14,761	62,140,422	1.22		6,762		82.46		1.96	
9/2000	776,630	8,911	14,090	66,508,579	1.15		7,464		85.64		1.81	
12/2000	772,078	9,127	13,242	71,532,711	1.18		7,837		92.65		1.72	
3/2001	805,453	9,283	13,894	69,122,633	1.15	-5.7	7,446	6.8	85.82	0.8	1.72	-3.4
6/2001	795,011	8,843	13,846	63,084,536	1.11	-9.0	7,134	5.5	79.35	-3.8	1.74	-11.2
9/2001	809,912	8,735	13,613	65,512,421	1.08	-6.1	7,500	0.5	80.89	-5.5	1.68	-7.2
12/2001	800,686	9,846	15,406	73,832,417	1.23	4.2	7,499	-4.3	92.21	-0.5	1.92	11.6
3/2002	825,590	9,199	13,849	68,074,966	1.11	-3.5	7,400	-0.6	82.46	-3.9	1.68	-2.3
6/2002	811,763	9,385	14,262	68,102,954	1.16	4.5	7,257	1.7	83.90	5.7	1.76	1.1
9/2002	838,317	9,464	14,904	70,287,498	1.13	4.6	7,427	-1.0	83.84	3.6	1.78	6.0
12/2002	819,089	9,922	15,668	72,680,196	1.21	-1.6	7,325	-2.3	88.73	-3.8	1.91	-0.5
3/2003	873,906	10,228	15,285	73,805,747	1.17	5.4	7,216	-2.5	84.46	2.4	1.75	4.2
6/2003	855,596	10,284	16,917	78,236,920	1.20	3.4	7,613	4.9	91.51	9.1	1.98	12.5
9/2003	887,083	10,395	16,809	78,524,262	1.17	3.5	7,554	1.7	88.52	5.6	1.89	6.2
12/2003	878,810	11,226	17,323	85,301,765	1.28	5.8	7,599	3.7	97.07	9.4	1.97	3.1
3/2004	900,941	10,103	15,560	77,312,219	1.12	-4.3	7,652	6.0	85.81	1.6	1.73	-1.1
6/2004	886,614	10,154	16,489	80,189,729	1.15	-4.2	7,897	3.2	90.44	-1.2	1.86	-6.1
9/2004	918,048	10,379	16,811	88,003,150	1.13	-3.4	8,479	12.2	95.86	8.3	1.83	-3.2
12/2004	904,395	10,908	17,709	85,624,227	1.21	-5.5	7,850	3.3	94.68	-2.5	1.96	-0.5
3/2005	930,668	10,156	15,627	81,768,092	1.09	-2.7	8,051	5.2	87.86	2.4	1.68	-2.9
6/2005	913,706	10,840	16,902	84,232,115	1.19	3.5	7,770	-1.6	92.19	1.9	1.85	-0.5
9/2005	948,029	10,562	15,538	86,078,084	1.11	-1.8	8,150	-3.9	90.80	-5.3	1.64	-10.4

4 QTRS ENDING

12/2000	3,069,724	36,595	55,724	265,496,416	1.19		7,255		86.49		1.82	
3/2001	3,107,754	36,510	55,987	269,304,345	1.17		7,376		86.66		1.80	
6/2001	3,149,172	36,164	55,072	270,248,459	1.15		7,473		85.82		1.75	
9/2001	3,182,454	35,988	54,595	269,252,301	1.13		7,482		84.61		1.72	
12/2001	3,211,062	36,707	56,759	271,552,007	1.14	-4.2	7,398	2.0	84.57	-2.2	1.77	-2.7
3/2002	3,231,199	36,623	56,714	270,504,340	1.13	-3.4	7,386	0.1	83.72	-3.4	1.76	-2.2
6/2002	3,247,951	37,165	57,130	275,522,758	1.14	-0.9	7,414	-0.8	84.83	-1.2	1.76	0.6
9/2002	3,276,356	37,894	58,421	280,297,835	1.16	2.7	7,397	-1.1	85.55	1.1	1.78	3.5
12/2002	3,294,759	37,970	58,683	279,145,614	1.15	0.9	7,352	-0.6	84.72	0.2	1.78	0.6
3/2003	3,343,075	38,999	60,119	284,876,395	1.17	3.5	7,305	-1.1	85.21	1.8	1.80	2.3
6/2003	3,386,908	39,898	62,774	295,070,361	1.18	3.5	7,396	-0.2	87.12	2.7	1.85	5.1
9/2003	3,435,674	40,829	64,679	303,307,125	1.19	2.6	7,429	0.4	88.28	3.2	1.88	5.6
12/2003	3,495,395	42,133	66,334	315,928,694	1.21	5.2	7,498	2.0	90.38	6.7	1.90	6.7
3/2004	3,522,430	42,008	66,609	319,435,166	1.19	1.7	7,604	4.1	90.69	6.4	1.89	5.0
6/2004	3,553,448	41,878	66,181	321,327,975	1.18	0.0	7,673	3.7	90.43	3.8	1.86	0.5
9/2004	3,584,413	41,862	66,183	330,806,863	1.17	-1.7	7,902	6.4	92.29	4.5	1.85	-1.6
12/2004	3,609,998	41,544	66,569	331,129,325	1.15	-5.0	7,971	6.3	91.73	1.5	1.84	-3.2
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	-4.2	8,068	6.1	92.20	1.7	1.83	-3.2
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	-2.5	8,032	4.7	92.62	2.4	1.83	-1.6
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	-1.7	7,952	0.6	91.35	-1.0	1.78	-3.8
ANNUAL RATE OF CHANGE(20 PT.)					0.1		2.0		2.1		1.0	
ANNUAL RATE OF CHANGE(12 PT.)					-0.9		4.1		3.2		-0.2	
ANNUAL RATE OF CHANGE(9 PT.)					-2.6		4.3		1.7		-2.7	
ANNUAL RATE OF CHANGE(6 PT.)					-2.1		2.8		0.8		-2.9	

PRIVATE PASSENGER AUTOMOBILE - PROPERTY DAMAGE

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	
					PAID CLAIM FREQ.	LOSS		LOSS	PREMIUM			
3/2000	767,423	27,867	68,275,993	3.63			2,450			88.97		
6/2000	753,593	27,301	65,300,183	3.62			2,392			86.65		
9/2000	776,630	26,799	65,975,523	3.45			2,462			84.95		
12/2000	772,078	24,825	63,505,159	3.22			2,558			82.25		
3/2001	805,453	28,290	69,314,058	3.51	-3.3		2,450	0.0		86.06	-3.3	
6/2001	795,011	27,115	65,402,626	3.41	-5.8		2,412	0.8		82.27	-5.1	
9/2001	809,912	26,271	64,300,283	3.24	-6.1		2,448	-0.6		79.39	-6.5	
12/2001	800,686	28,645	71,226,142	3.58	11.2		2,487	-2.8		88.96	8.2	
3/2002	825,590	28,356	69,379,031	3.43	-2.3		2,447	-0.1		84.04	-2.3	
6/2002	811,763	27,575	67,896,818	3.40	-0.3		2,462	2.1		83.64	1.7	
9/2002	838,317	28,348	70,075,204	3.38	4.3		2,472	1.0		83.59	5.3	
12/2002	819,089	28,326	70,503,157	3.46	-3.4		2,489	0.1		86.08	-3.2	
3/2003	873,906	30,199	75,576,755	3.46	0.9		2,503	2.3		86.48	2.9	
6/2003	855,596	30,470	75,069,250	3.56	4.7		2,464	0.1		87.74	4.9	
9/2003	887,083	31,475	79,643,376	3.55	5.0		2,530	2.3		89.78	7.4	
12/2003	878,810	31,620	78,747,460	3.60	4.0		2,490	0.0		89.61	4.1	
3/2004	900,941	32,057	80,152,461	3.56	2.9		2,500	-0.1		88.97	2.9	
6/2004	886,614	31,752	77,846,998	3.58	0.6		2,452	-0.5		87.80	0.1	
9/2004	918,048	31,884	79,635,237	3.47	-2.3		2,498	-1.3		86.74	-3.4	
12/2004	904,395	31,679	82,286,098	3.50	-2.8		2,597	4.3		90.98	1.5	
3/2005	930,668	32,810	82,757,616	3.53	-0.8		2,522	0.9		88.92	-0.1	
6/2005	913,706	32,809	81,347,592	3.59	0.3		2,479	1.1		89.03	1.4	
9/2005	948,029	32,320	80,874,496	3.41	-1.7		2,502	0.2		85.31	-1.6	
4 QTRS ENDING												
12/2000	3,069,724	106,792	263,056,858	3.48			2,463			85.69		
3/2001	3,107,754	107,215	264,094,923	3.45			2,463			84.98		
6/2001	3,149,172	107,029	264,197,366	3.40			2,468			83.89		
9/2001	3,182,454	106,501	262,522,126	3.35			2,465			82.49		
12/2001	3,211,062	110,321	270,243,109	3.44	-1.1		2,450	-0.5		84.16	-1.8	
3/2002	3,231,199	110,387	270,308,082	3.42	-0.9		2,449	-0.6		83.66	-1.6	
6/2002	3,247,951	110,847	272,802,274	3.41	0.3		2,461	-0.3		83.99	0.1	
9/2002	3,276,356	112,924	278,577,195	3.45	3.0		2,467	0.1		85.03	3.1	
12/2002	3,294,759	112,605	277,854,210	3.42	-0.6		2,482	0.7		84.33	0.2	
3/2003	3,343,075	114,448	284,051,934	3.42	0.0		2,482	1.3		84.97	1.6	
6/2003	3,386,908	117,343	291,224,366	3.46	1.5		2,482	0.9		85.99	2.4	
9/2003	3,435,674	120,470	300,792,538	3.51	1.7		2,497	1.2		87.55	3.0	
12/2003	3,495,395	123,764	309,036,841	3.54	3.5		2,497	1.2		88.41	4.8	
3/2004	3,522,430	125,622	313,612,547	3.57	4.4		2,496	0.6		89.03	4.8	
6/2004	3,553,448	126,904	316,390,295	3.57	3.2		2,493	0.4		89.04	3.5	
9/2004	3,584,413	127,313	316,382,156	3.55	1.1		2,485	-0.5		88.27	0.8	
12/2004	3,609,998	127,372	319,920,794	3.53	-0.3		2,512	0.6		88.62	0.2	
3/2005	3,639,725	128,125	322,525,949	3.52	-1.4		2,517	0.8		88.61	-0.5	
6/2005	3,666,817	129,182	326,026,543	3.52	-1.4		2,524	1.2		88.91	-0.1	
9/2005	3,696,798	129,618	327,265,802	3.51	-1.1		2,525	1.6		88.53	0.3	
ANNUAL RATE OF CHANGE(20 PT.)				0.9			0.6			1.5		
ANNUAL RATE OF CHANGE(12 PT.)				1.0			0.7			1.7		
ANNUAL RATE OF CHANGE(9 PT.)				-0.4			0.7			0.3		
ANNUAL RATE OF CHANGE(6 PT.)				-1.3			1.3			-0.1		

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 DATA ENDED SEPTEMBER 2005

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.9%	3.0%	3.0%
12 points	3.8%	4.0%	4.1%
9 points	4.0%	4.2%	4.3%
6 points	2.7%	2.7%	2.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	0.1%	0.1%	0.1%
12 points	-1.0%	-0.9%	-0.9%
9 points	-2.8%	-2.7%	-2.6%
6 points	-2.2%	-2.2%	-2.1%

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	0.8%	0.8%	0.8%
12 points	0.7%	0.7%	0.7%
9 points	0.7%	0.7%	0.7%
6 points	1.3%	1.3%	1.3%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.1%	1.1%	1.1%
12 points	1.0%	1.0%	1.0%
9 points	-0.4%	-0.4%	-0.4%
6 points	-1.3%	-1.3%	-1.3%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED SEPTEMBER 2005

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.91	0.91
12 points	0.96	0.96
9 points	0.93	0.93
6 points	0.72	0.72

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	0.07	0.07
12 points	-0.46	-0.46
9 points	-0.89	-0.90
6 points	-0.78	-0.78

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.95	0.95
12 points	0.90	0.90
9 points	0.79	0.79
6 points	0.91	0.90

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	0.76	0.76
12 points	0.60	0.60
9 points	-0.39	-0.39
6 points	-0.95	-0.95

PRIVATE PASSENGER AUTOMOBILE - BI TOTAL LIMITS

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE		AVERAGE LOSS	PCT. CHANGE		PURE PREMIUM	PCT. CHANGE		PCT. CHANGE FROM SAME QTR PRIOR YEAR
						FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR				
3/2000	17,315,402	221,717	312,240	1,781,410,186	1.28			8,035			102.88			1.80
6/2000	17,445,318	215,663	316,058	1,813,277,898	1.24			8,408			103.94			1.81
9/2000	17,649,897	210,169	307,530	1,793,754,589	1.19			8,535			101.63			1.74
12/2000	17,595,329	218,807	311,061	1,925,515,069	1.24			8,800			109.43			1.77
3/2001	17,917,623	217,816	316,718	1,824,555,085	1.22		-4.7	8,377	4.3		101.83		-1.0	-1.7
6/2001	18,048,731	213,178	315,260	1,864,040,865	1.18		-4.8	8,744	4.0		103.28		-0.6	-3.3
9/2001	18,217,683	209,196	312,078	1,830,435,000	1.15		-3.4	8,750	2.5		100.48		-1.1	-1.7
12/2001	18,232,660	223,093	332,496	1,985,605,013	1.22		-1.6	8,900	1.1		108.90		-0.5	2.8
3/2002	18,326,867	212,479	314,151	1,833,943,190	1.16		-4.9	8,631	3.0		100.07		-1.7	-3.4
6/2002	18,420,830	212,411	322,174	1,921,457,169	1.15		-2.5	9,046	3.5		104.31		1.0	0.0
9/2002	18,520,410	207,686	315,836	1,892,281,617	1.12		-2.6	9,111	4.1		102.17		1.7	0.0
12/2002	18,353,138	214,571	322,040	1,986,232,494	1.17		-4.1	9,257	4.0		108.22		-0.6	-3.8
3/2003	18,353,807	208,479	304,258	1,887,698,381	1.14		-1.7	9,055	4.9		102.85		2.8	-2.9
6/2003	18,423,032	209,873	307,692	1,994,403,661	1.14		-0.9	9,503	5.1		108.26		3.8	-4.6
9/2003	18,566,268	205,730	309,511	1,958,668,660	1.11		-0.9	9,521	4.5		105.50		3.3	-2.3
12/2003	18,524,708	215,481	315,924	2,038,843,788	1.16		-0.9	9,462	2.2		110.06		1.7	-2.3
3/2004	18,540,752	212,556	297,380	1,965,130,445	1.15		0.9	9,245	2.1		105.99		3.1	-3.6
6/2004	18,678,621	208,005	300,783	2,028,356,744	1.11		-2.6	9,751	2.6		108.59		0.3	-3.6
9/2004	18,866,946	203,971	300,660	2,012,269,023	1.08		-2.7	9,865	3.6		106.66		1.1	-4.8
12/2004	18,850,738	208,405	308,445	2,073,314,540	1.11		-4.3	9,948	5.1		109.99		-0.1	-4.1
3/2005	18,936,092	203,694	291,951	1,956,125,444	1.08		-6.1	9,603	3.9		103.30		-2.5	-3.8
6/2005	19,105,235	203,322	298,414	2,027,550,778	1.06		-4.5	9,972	2.3		106.13		-2.3	-3.1
9/2005	19,335,668	198,228	289,133	2,000,933,977	1.03		-4.6	10,094	2.3		103.48		-3.0	-5.7
4 QTRS ENDING														
12/2000	70,005,946	866,356	1246889	7,313,957,742	1.24			8,442			104.48			1.78
3/2001	70,608,167	862,455	1251367	7,357,102,641	1.22			8,530			104.20			1.77
6/2001	71,211,580	859,970	1250569	7,407,865,608	1.21			8,614			104.03			1.76
9/2001	71,779,366	858,997	1255117	7,444,546,019	1.20			8,667			103.71			1.75
12/2001	72,416,697	863,283	1276552	7,504,635,963	1.19		-4.0	8,693	3.0		103.63		-0.8	-1.1
3/2002	72,825,941	857,946	1273985	7,514,024,068	1.18		-3.3	8,758	2.7		103.18		-1.0	-1.1
6/2002	73,198,040	857,179	1280899	7,571,440,372	1.17		-3.3	8,833	2.5		103.44		-0.6	-0.6
9/2002	73,500,767	855,669	1284657	7,633,286,989	1.16		-3.3	8,921	2.9		103.85		0.1	0.0
12/2002	73,621,245	847,147	1274201	7,633,914,470	1.15		-3.4	9,011	3.7		103.69		0.1	-1.7
3/2003	73,648,185	843,147	1264308	7,687,669,661	1.14		-3.4	9,118	4.1		104.38		1.2	-1.7
6/2003	73,650,387	840,609	1249826	7,760,616,153	1.14		-2.6	9,232	4.5		105.37		1.9	-2.9
9/2003	73,696,245	838,653	1243501	7,827,003,196	1.14		-1.7	9,333	4.6		106.21		2.3	-3.4
12/2003	73,867,815	839,563	1237385	7,879,614,490	1.14		-0.9	9,385	4.2		106.67		2.9	-2.9
3/2004	74,054,760	843,640	1230507	7,957,046,554	1.14		0.0	9,432	3.4		107.45		2.9	-3.5
6/2004	74,310,349	841,772	1223598	7,990,999,637	1.13		-0.9	9,493	2.8		107.54		2.1	-2.9
9/2004	74,611,027	840,013	1214747	8,044,600,000	1.13		-0.9	9,577	2.6		107.82		1.5	-3.6
12/2004	74,937,057	832,937	1207268	8,079,070,752	1.11		-2.6	9,699	3.3		107.81		1.1	-4.2
3/2005	75,332,397	824,075	1201839	8,070,065,751	1.09		-4.4	9,793	3.8		107.13		-0.3	-3.6
6/2005	75,759,011	819,392	1199470	8,069,259,785	1.08		-4.4	9,848	3.7		106.51		-1.0	-4.2
9/2005	76,227,733	813,649	1187943	8,057,924,739	1.07		-5.3	9,903	3.4		105.71		-2.0	-4.3
ANNUAL RATE OF CHANGE (20 PT.)					-2.6			3.5			0.9			-2.7
ANNUAL RATE OF CHANGE (12 PT.)					-2.4			3.4			0.9			-3.7
ANNUAL RATE OF CHANGE (9 PT.)					-3.4			3.2			-0.2			-3.9
ANNUAL RATE OF CHANGE (6 PT.)					-4.8			3.5			-1.5			-4.3

PRIVATE PASSENGER AUTOMOBILE - PROPERTY DAMAGE

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
3/2000	24,240,747	1048299	2,337,823,144	4.32		2,230		96.44	
6/2000	24,439,598	981,309	2,194,846,452	4.02		2,237		89.81	
9/2000	24,708,576	976,584	2,232,243,744	3.95		2,286		90.34	
12/2000	24,614,285	980,655	2,289,024,489	3.98		2,334		93.00	
3/2001	25,001,689	1094409	2,535,386,107	4.38	1.4	2,317	3.9	101.41	5.2
6/2001	25,235,888	1005188	2,342,108,294	3.98	-1.0	2,330	4.2	92.81	3.3
9/2001	25,487,782	991,534	2,362,543,967	3.89	-1.5	2,383	4.2	92.69	2.6
12/2001	25,525,630	1033402	2,495,484,402	4.05	1.8	2,415	3.5	97.76	5.1
3/2002	25,698,702	1059770	2,570,052,937	4.12	-5.9	2,425	4.7	100.01	-1.4
6/2002	25,886,207	1024134	2,462,307,733	3.96	-0.5	2,404	3.2	95.12	2.5
9/2002	26,052,426	1027036	2,505,670,381	3.94	1.3	2,440	2.4	96.18	3.8
12/2002	26,822,093	1020762	2,533,990,119	3.95	-2.5	2,482	2.8	98.13	0.4
3/2003	25,828,916	1050329	2,612,270,529	4.07	-1.2	2,487	2.6	101.14	1.1
6/2003	25,973,088	995,044	2,467,070,887	3.83	-3.3	2,479	3.1	94.99	-0.1
9/2003	26,173,042	1001156	2,511,171,127	3.83	-2.8	2,508	2.8	95.94	-0.2
12/2003	26,107,153	1001370	2,516,680,584	3.84	-2.8	2,513	1.2	96.40	-1.8
3/2004	26,155,064	1064489	2,654,944,166	4.07	0.0	2,494	0.3	101.51	0.4
6/2004	26,407,599	987,013	2,446,985,051	3.74	-3.7	2,479	0.0	92.66	-2.5
9/2004	26,676,972	983,743	2,473,001,119	3.69	-2.3	2,514	0.2	92.70	-3.4
12/2004	26,638,746	985,741	2,514,280,327	3.70	-3.6	2,551	1.5	94.38	-2.1
3/2005	26,749,179	1054774	2,686,144,740	3.94	-3.2	2,547	2.1	100.42	-1.1
6/2005	27,010,666	1010993	2,576,034,080	3.74	0.0	2,548	2.8	95.37	2.9
9/2005	27,318,757	1009236	2,606,197,765	3.69	0.0	2,582	2.7	95.40	2.9
4 QTRS ENDING									
12/2000	98,003,206	3986847	9,053,937,829	4.07		2,271		92.38	
3/2001	98,764,148	4032957	9,251,500,792	4.08		2,294		93.67	
6/2001	99,560,438	4056836	9,398,762,634	4.07		2,317		94.40	
9/2001	100339644	4071786	9,529,062,857	4.06		2,340		94.97	
12/2001	101250989	4124533	9,735,522,770	4.07	0.0	2,360	3.9	96.15	4.1
3/2002	101948002	4089894	9,770,189,600	4.01	-1.7	2,389	4.1	95.84	2.3
6/2002	102598321	4108840	9,890,389,039	4.00	-1.7	2,407	3.9	96.40	2.1
9/2002	103162965	4144342	10,033,515,453	4.02	-1.0	2,421	3.5	97.26	2.4
12/2002	103459428	4131702	10,072,021,170	3.99	-2.0	2,438	3.3	97.35	1.2
3/2003	103589642	4122261	10,114,238,762	3.98	-0.7	2,454	2.7	97.64	1.9
6/2003	103676523	4093171	10,119,001,916	3.95	-1.3	2,472	2.8	97.60	1.2
9/2003	103797139	4067291	10,124,502,662	3.92	-2.5	2,489	2.7	97.54	0.3
12/2003	104082199	4047899	10,107,193,127	3.89	-2.5	2,497	2.4	97.11	-0.2
3/2004	104408347	4062059	10,149,866,764	3.89	-2.3	2,499	1.8	97.21	-0.4
6/2004	104842858	4054028	10,129,780,928	3.87	-2.0	2,499	1.1	96.62	-1.0
9/2004	105346788	4036615	10,091,610,920	3.83	-2.3	2,500	0.4	95.79	-1.8
12/2004	105878381	4020986	10,089,210,663	3.80	-2.3	2,509	0.5	95.29	-1.9
3/2005	106472496	4011271	10,120,411,237	3.77	-3.1	2,523	1.0	95.05	-2.2
6/2005	107075563	4035251	10,249,460,266	3.77	-2.6	2,540	1.6	95.72	-0.9
9/2005	107717348	4060744	10,382,656,912	3.77	-1.6	2,557	2.3	96.39	0.6
ANNUAL RATE OF CHANGE(20 PT.)				-1.9		2.3		0.4	
ANNUAL RATE OF CHANGE(12 PT.)				-2.3		1.4		-0.9	
ANNUAL RATE OF CHANGE(9 PT.)				-2.2		1.2		-1.0	
ANNUAL RATE OF CHANGE(6 PT.)				-2.1		1.9		-0.2	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED SEPTEMBER 2005

MULTISTATE BODILY INJURY

	STRAIGHT LINE		
COST	END POINT	MID POINT	EXPONENTIAL
15 points	3.3%	3.6%	3.6%
12 points	3.2%	3.4%	3.4%
9 points	3.1%	3.2%	3.2%
6 points	3.4%	3.5%	3.5%

	STRAIGHT LINE		
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.5%	-2.4%	-2.3%
12 points	-2.5%	-2.4%	-2.4%
9 points	-3.6%	-3.5%	-3.4%
6 points	-5.0%	-4.9%	-4.8%

MULTISTATE PROPERTY DAMAGE

	STRAIGHT LINE		
COST	END POINT	MID POINT	EXPONENTIAL
15 points	1.7%	1.7%	1.7%
12 points	1.4%	1.4%	1.4%
9 points	1.2%	1.2%	1.2%
6 points	1.9%	1.9%	1.9%

	STRAIGHT LINE		
FREQ	END POINT	MID POINT	EXPONENTIAL
15 points	-2.2%	-2.1%	-2.1%
12 points	-2.4%	-2.3%	-2.3%
9 points	-2.3%	-2.2%	-2.2%
6 points	-2.2%	-2.1%	-2.1%

NORTH CAROLINA
 FAST TRACK TREND SUMMARY
 CORRELATION COEFFICIENTS
 DATA ENDED SEPTEMBER 2005

MULTISTATE BODILY INJURY

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

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.95	-0.94
12 points	-0.91	-0.90
9 points	-0.95	-0.95
6 points	-0.98	-0.98

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.97
12 points	0.96	0.96
9 points	0.92	0.92
6 points	0.97	0.97

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

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

ALL CARRIERS

(1) YEAR ENDED	AVERAGE PAID CLAIM COST (A)				AVERAGE PAID CLAIM COST (A)			
	(2) PAID LOSSES(A)	(3) PAID CLAIMS	(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)	(6) PAID LOSSES(A)	(7) PAID CLAIMS	(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
	<u>BODILY INJURY (25/50 LIMIT)</u>				<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>			
Dec-99					\$534,547,982	219,882	\$2,431	\$2,673.90
Mar-00					548,702,249	222,602	2,465	2,665.36
Jun-00					558,865,037	224,278	2,492	2,656.85
Sep-00					568,810,285	225,558	2,522	2,648.37
Dec-00	\$553,926,192	90,855	\$6,097	\$6,203.87	570,709,652	224,565	2,541	2,639.92
Mar-01	566,572,344	92,498	6,125	6,226.92	574,239,628	224,974	2,552	2,631.49
Jun-01	569,157,096	91,594	6,214	6,250.05	572,788,811	223,086	2,568	2,623.09
Sep-01	557,673,505	89,664	6,220	6,273.27	565,470,995	219,248	2,579	2,614.71
Dec-01	563,649,489	89,747	6,280	6,296.57	570,018,803	221,254	2,576	2,606.37
Mar-02	546,928,534	87,034	6,284	6,319.97	566,333,376	219,500	2,580	2,598.05
Jun-02	547,211,920	87,330	6,266	6,343.44	570,152,156	219,290	2,600	2,589.75
Sep-02	562,665,723	88,959	6,325	6,367.01	582,070,273	222,762	2,613	2,581.48
Dec-02	559,062,866	88,851	6,292	6,390.66	581,754,394	221,362	2,628	2,573.24
Mar-03	567,262,477	89,856	6,313	6,414.40	583,376,502	221,571	2,633	2,565.03
Jun-03	572,433,431	90,223	6,345	6,438.23	587,971,962	224,197	2,623	2,556.84
Sep-03	567,922,404	90,398	6,282	6,462.15	597,769,760	229,243	2,608	2,548.68
Dec-03	576,429,324	91,396	6,307	6,486.16	604,171,171	234,553	2,576	2,540.54
Mar-04	577,138,015	91,434	6,312	6,510.25	610,943,826	238,227	2,565	2,532.43
Jun-04	585,821,739	92,680	6,321	6,534.44	616,629,882	242,021	2,548	2,524.34
Sep-04	598,391,738	93,496	6,400	6,558.71	611,848,693	241,313	2,535	2,516.29
Dec-04	601,187,970	93,884	6,404	6,583.08	617,890,836	242,711	2,546	2,508.25
Mar-05	610,698,292	94,142	6,487	6,607.54	623,302,930	244,669	2,548	2,500.24
Jun-05	614,622,009	94,093	6,532	6,632.08	627,506,701	245,187	2,559	2,492.26
Sep-05	615,642,302	93,858	6,559	6,656.72	631,302,936	246,377	2,562	2,484.31

(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	3.0%	0.6%
9-points	2.3%	-0.7%
12-points	1.5%	-1.3%
15-points	1.1%	-0.8%

(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	ACTUAL (2)/(3)	EXPONENTIAL CURVE OF BEST FIT (B)	PAID LOSSES (A)	PAID CLAIMS	ACTUAL (6)/(7)	EXPONENTIAL CURVE OF BEST FIT (B)

BODILY INJURY (25/50 EXCESS)

BODILY INJURY (TOTAL LIMITS)

Dec-99					\$634,326,202	89,375	\$7,097	\$7,183.80
Mar-00					634,442,642	89,523	7,087	7,238.82
Jun-00					627,959,182	89,365	7,027	7,294.25
Sep-00					637,658,030	89,894	7,093	7,350.11
Dec-00	\$93,409,140	90,855	\$1,028	\$1,208.51	647,335,332	90,855	7,125	7,406.40
Mar-01	102,023,588	92,498	1,103	1,239.29	668,595,932	92,498	7,228	7,463.12
Jun-01	104,014,966	91,594	1,136	1,270.84	673,172,062	91,594	7,350	7,520.28
Sep-01	103,676,986	89,664	1,156	1,303.21	661,350,491	89,664	7,376	7,577.87
Dec-01	103,878,402	89,747	1,157	1,336.39	667,527,891	89,747	7,438	7,635.90
Mar-02	101,514,653	87,034	1,166	1,370.42	648,443,187	87,034	7,450	7,694.38
Jun-02	105,587,392	87,330	1,209	1,405.32	652,799,312	87,330	7,475	7,753.31
Sep-02	111,012,503	88,959	1,248	1,441.11	673,678,226	88,959	7,573	7,812.68
Dec-02	112,111,433	88,851	1,262	1,477.80	671,174,299	88,851	7,554	7,872.52
Mar-03	112,342,375	89,856	1,250	1,515.43	679,604,852	89,856	7,563	7,932.81
Jun-03	118,561,750	90,223	1,314	1,554.02	690,995,181	90,223	7,659	7,993.56
Sep-03	121,867,408	90,398	1,348	1,593.60	689,789,812	90,398	7,631	8,054.77
Dec-03	131,365,682	91,396	1,437	1,634.18	707,795,006	91,396	7,744	8,116.46
Mar-04	134,930,861	91,434	1,476	1,675.79	712,068,876	91,434	7,788	8,178.62
Jun-04	139,242,246	92,680	1,502	1,718.47	725,063,985	92,680	7,823	8,241.25
Sep-04	148,998,289	93,496	1,594	1,762.23	747,390,027	93,496	7,994	8,304.36
Dec-04	153,375,085	93,884	1,634	1,807.10	754,563,055	93,884	8,037	8,367.96
Mar-05	155,033,860	94,142	1,647	1,853.12	765,732,152	94,142	8,134	8,432.05
Jun-05	150,436,847	94,093	1,599	1,900.31	765,058,856	94,093	8,131	8,496.62
Sep-05	143,414,564	93,858	1,528	1,948.70	759,056,866	93,858	8,087	8,561.69

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	25/50 EXCESS	TOTAL LIMITS
	6-points	2.7%
	9-points	3.3%
	12-points	3.1%
	15-points	2.8%

(A) INCLUDES A FACTOR OF 1.129 TO INCLUDE ALL LOSS ADJUSTMENT.

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

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

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)
Dec-99	\$86,506,097	60,440	\$1,431	\$1,535.82
Mar-00	87,613,247	60,607	1,446	1,547.81
Jun-00	88,251,850	60,956	1,448	1,559.89
Sep-00	89,462,464	61,352	1,458	1,572.07
Dec-00	91,001,531	62,175	1,464	1,584.35
Mar-01	92,606,651	62,747	1,476	1,596.72
Jun-01	92,817,346	62,445	1,486	1,609.19
Sep-01	92,034,344	61,258	1,502	1,621.76
Dec-01	92,522,950	60,967	1,518	1,634.42
Mar-02	92,024,834	59,920	1,536	1,647.18
Jun-02	93,614,307	59,481	1,574	1,660.04
Sep-02	96,676,407	60,296	1,603	1,673.01
Dec-02	98,274,814	60,868	1,615	1,686.07
Mar-03	100,033,392	61,163	1,636	1,699.24
Jun-03	101,320,815	61,864	1,638	1,712.51
Sep-03	101,311,733	61,997	1,634	1,725.88
Dec-03	100,958,127	61,414	1,644	1,739.35
Mar-04	101,223,537	60,826	1,664	1,752.94
Jun-04	101,311,985	60,514	1,674	1,766.62
Sep-04	102,289,088	59,973	1,706	1,780.42
Dec-04	102,646,071	59,425	1,727	1,794.32
Mar-05	102,257,055	58,997	1,733	1,808.33
Jun-05	102,407,794	58,620	1,747	1,822.45
Sep-05	102,346,943	58,672	1,744	1,836.68

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

MEDICAL
PAYMENTS

6-points	3.2%
9-points	3.8%
12-points	3.2%
15-points	3.4%

- (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)
<u>YEAR ENDED</u>	<u>EARNED EXPOSURES</u>	<u>PAID CLAIMS</u>	<u>PAID CLAIM</u>	<u>PAID CLAIMS</u>	<u>PAID CLAIM</u>
			<u>FREQ</u>		<u>FREQ</u>
			<u>(2)/(3)</u>		<u>(5)/(3)</u>
		<u>BODILY INJURY</u>		<u>PROPERTY DAMAGE</u>	
Dec-99	5,493,414	89,375	1.6269	219,882	4.0026
Mar-00	5,533,181	89,523	1.6179	222,602	4.0230
Jun-00	5,570,061	89,365	1.6044	224,278	4.0265
Sep-00	5,608,460	89,894	1.6028	225,558	4.0217
Dec-00	5,627,389	90,855	1.6145	224,565	3.9906
Mar-01	5,634,304	92,498	1.6417	224,974	3.9929
Jun-01	5,653,968	91,594	1.6200	223,086	3.9457
Sep-01	5,680,319	89,664	1.5785	219,248	3.8598
Dec-01	5,714,033	89,747	1.5706	221,254	3.8721
Mar-02	5,763,499	87,034	1.5101	219,500	3.8085
Jun-02	5,810,266	87,330	1.5030	219,290	3.7742
Sep-02	5,852,172	88,959	1.5201	222,762	3.8065
Dec-02	5,894,644	88,851	1.5073	221,362	3.7553
Mar-03	5,931,768	89,856	1.5148	221,571	3.7353
Jun-03	5,947,261	90,223	1.5171	224,197	3.7698
Sep-03	5,970,039	90,398	1.5142	229,243	3.8399
Dec-03	5,993,638	91,396	1.5249	234,553	3.9134
Mar-04	6,012,048	91,434	1.5208	238,227	3.9625
Jun-04	6,053,519	92,680	1.5310	242,021	3.9980
Sep-04	6,092,989	93,496	1.5345	241,313	3.9605
Dec-04	6,140,759	93,884	1.5289	242,711	3.9525
Mar-05	6,216,030	94,142	1.5145	244,669	3.9361
Jun-05	6,276,585	94,093	1.4991	245,187	3.9064
Sep-05	6,332,861	93,858	1.4821	246,377	3.8905

(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	-2.7%	-2.1%
9-points	-1.0%	0.1%
12-points	-0.3%	1.8%
15-points	-0.1%	1.5%
24-points	-1.5%	-0.4%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

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

ALL CARRIERS

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

MEDICAL PAYMENTS

Dec-99	4,087,127	60,440	1.4788
Mar-00	4,110,975	60,607	1.4743
Jun-00	4,133,750	60,956	1.4746
Sep-00	4,156,127	61,352	1.4762
Dec-00	4,162,762	62,175	1.4936
Mar-01	4,164,590	62,747	1.5067
Jun-01	4,181,891	62,445	1.4932
Sep-01	4,212,050	61,258	1.4544
Dec-01	4,251,753	60,967	1.4339
Mar-02	4,298,011	59,920	1.3941
Jun-02	4,336,702	59,481	1.3716
Sep-02	4,367,585	60,296	1.3805
Dec-02	4,397,520	60,868	1.3841
Mar-03	4,425,980	61,163	1.3819
Jun-03	4,442,756	61,864	1.3925
Sep-03	4,462,095	61,997	1.3894
Dec-03	4,476,512	61,414	1.3719
Mar-04	4,484,614	60,826	1.3563
Jun-04	4,506,549	60,514	1.3428
Sep-04	4,531,567	59,973	1.3234
Dec-04	4,570,547	59,425	1.3002
Mar-05	4,624,848	58,997	1.2757
Jun-05	4,672,692	58,620	1.2545
Sep-05	4,712,106	58,672	1.2451

(5) RATE OF CHANGE IN PAID CLAIM FREQS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:		<u>MEDICAL PAYMENTS</u>
	6-points	-6.2%
	9-points	-5.6%
	12-points	-4.2%
	15-points	-3.1%
	24-points	-3.0%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2005

ALL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.1%	1.1%	1.1%
12 points	1.5%	1.5%	1.5%
9 points	2.3%	2.3%	2.3%
6 points	2.9%	3.0%	3.0%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-1.6%	-1.5%	-1.5%
15 points	-0.1%	-0.1%	-0.1%
12 points	-0.3%	-0.3%	-0.3%
9 points	-1.0%	-1.0%	-1.0%
6 points	-2.8%	-2.8%	-2.7%

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-0.8%	-0.8%	-0.8%
12 points	-1.3%	-1.3%	-1.3%
9 points	-0.7%	-0.7%	-0.7%
6 points	0.6%	0.6%	0.6%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-0.4%	-0.4%	-0.4%
15 points	1.5%	1.5%	1.5%
12 points	1.7%	1.8%	1.8%
9 points	0.1%	0.1%	0.1%
6 points	-2.1%	-2.1%	-2.1%

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	3.2%	3.4%	3.4%
12 points	3.0%	3.1%	3.2%
9 points	3.6%	3.7%	3.8%
6 points	3.1%	3.2%	3.2%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-3.3%	-3.0%	-3.0%
15 points	-3.3%	-3.1%	-3.1%
12 points	-4.6%	-4.3%	-4.2%
9 points	-6.1%	-5.7%	-5.6%
6 points	-6.6%	-6.4%	-6.2%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2005

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	8.5%	10.1%	10.6%
12 points	8.7%	9.9%	10.6%
9 points	6.8%	7.4%	7.8%
6 points	1.1%	1.1%	1.2%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.6%	2.7%	2.8%
12 points	2.9%	3.1%	3.1%
9 points	3.2%	3.3%	3.3%
6 points	2.6%	2.6%	2.7%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2005

ALL CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.85	0.85
12 points	0.88	0.88
9 points	0.97	0.97
6 points	0.98	0.98

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.83	-0.83
15 points	-0.08	-0.08
12 points	-0.28	-0.28
9 points	-0.60	-0.60
6 points	-0.94	-0.94

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	-0.73	-0.73
12 points	-0.84	-0.84
9 points	-0.58	-0.57
6 points	0.79	0.79

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.27	-0.27
15 points	0.74	0.74
12 points	0.70	0.70
9 points	0.08	0.08
6 points	-0.99	-0.99

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.98	0.98
12 points	0.97	0.97
9 points	0.98	0.98
6 points	0.93	0.93

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.95	-0.94
15 points	-0.90	-0.89
12 points	-0.96	-0.95
9 points	-1.00	-1.00
6 points	-0.99	-0.99

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2005

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.95	0.95
12 points	0.91	0.91
9 points	0.77	0.78
6 points	0.15	0.15

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.98
12 points	0.97	0.97
9 points	0.95	0.95
6 points	0.84	0.84

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Jan-02	177.1	
Feb-02	177.8	164.0
Mar-02	178.8	
Apr-02	179.8	
May-02	179.8	166.1
Jun-02	179.9	
Jul-02	180.1	
Aug-02	180.7	167.1
Sep-02	181.0	
Oct-02	181.3	
Nov-02	181.3	167.9
Dec-02	180.9	
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	

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)	2.76%	4.17%	3.47%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.01%	3.92%	3.46%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.44%	3.97%	3.70%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	4.14%	2.43%	3.29%
(5) Average Annual Index (D)			
Year Ended 6/30/2003	182.11	170.25	
Year Ended 12/31/2003	183.96	174.33	
Year Ended 6/30/2004	186.09	177.40	
Year Ended 12/31/2004	188.88	181.00	
Year Ended 6/30/2005	191.69	185.20	
Year Ended 12/31/2005	195.29	188.53	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2003	1.08	1.12	1.10
Year Ended 12/31/2003	1.07	1.09	1.08
Year Ended 6/30/2004	1.06	1.07	1.07
Year Ended 12/31/2004	1.04	1.05	1.05
Year Ended 6/30/2005	1.03	1.03	1.03
Year Ended 12/31/2005	1.01	1.01	1.01

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

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

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

(D) Average year ended index for period shown.

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY

AVERAGE ANNUAL RATES OF CHANGE
DATA ENDED DECEMBER 2005

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.59%	2.73%	2.76%
36 points	2.85%	2.97%	3.01%
24 points	3.28%	3.38%	3.44%
12 points	3.98%	4.05%	4.14%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	3.79%	4.08%	4.17%
12 points	3.65%	3.84%	3.92%
8 points	3.76%	3.88%	3.97%
4 points	2.38%	2.40%	2.43%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 2005

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.98	0.98
36 points	0.98	0.98
24 points	0.97	0.97
12 points	0.91	0.91

COMPENSATION COST INDEX

	STRAIGHT LINE	EXPONENTIAL
16 points	1.00	1.00
12 points	0.99	0.99
8 points	0.99	0.98
4 points	0.93	0.93

Countrywide External Expense Trend

	Consumer Price Index (a)	Compensation Cost Index (b)		Consumer Price Index (a)	Compensation Cost Index (b)
10/00	174.0		6/03	183.7	
11/00	174.1	155.2	7/03	183.9	
12/00	174.0		8/03	184.6	175.1
1/01	175.1		9/03	185.2	
2/01	175.8	157.6	10/03	185.0	
3/01	176.2		11/03	184.5	176.2
4/01	176.9		12/03	184.3	
5/01	177.7	159.3	1/04	185.2	
6/01	178.0		2/04	186.2	177.8
7/01	177.5		3/04	187.4	
8/01	177.5	159.9	4/04	188.0	
9/01	178.3		5/04	189.1	180.5
10/01	177.7		6/04	189.7	
11/01	177.4	161.3	7/04	189.4	
12/01	176.7		8/04	189.5	182.1
1/02	177.1		9/04	189.9	
2/02	177.8	164.0	10/04	190.9	
3/02	178.8		11/04	191.0	183.6
4/02	179.8		12/04	190.3	
5/02	179.8	166.1	1/05	190.7	
6/02	179.9		2/05	191.8	186.3
7/02	180.1		3/05	193.3	
8/02	180.7	167.1	4/05	194.6	
9/02	181.0		5/05	194.4	188.8
10/02	181.3		6/05	194.5	
11/02	181.3	167.9	7/05	195.4	
12/02	180.9		8/05	196.4	189.0
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			

(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-155 and F-156.

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>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Quarter</u>	<u>Index</u>	<u>Annual Percentage Change</u>
84:1	0.975		95:1	0.978	5.6%
84:2	0.991		95:2	1.033	7.6%
84:3	0.971		95:3	1.015	-1.2%
84:4	0.973		95:4	0.967	-4.8%
85:1	0.941	-3.6%	96:1	0.990	1.3%
85:2	1.003	1.2%	96:2	1.108	7.3%
85:3	1.008	3.7%	96:3	1.069	5.3%
85:4	0.992	2.0%	96:4	1.067	10.4%
86:1	0.908	-3.5%	97:1	1.070	8.1%
86:2	0.763	-24.0%	97:2	1.053	-5.0%
86:3	0.718	-28.7%	97:3	1.067	-0.2%
86:4	0.690	-30.4%	97:4	1.040	-2.6%
87:1	0.750	-17.4%	98:1	0.937	-12.5%
87:2	0.794	4.0%	98:2	0.932	-11.5%
87:3	0.835	16.2%	98:3	0.913	-14.5%
87:4	0.827	19.7%	98:4	0.884	-15.0%
88:1	0.783	4.4%	99:1	0.845	-9.8%
88:2	0.806	1.6%	99:2	0.999	7.2%
88:3	0.832	-0.3%	99:3	1.063	16.4%
88:4	0.811	-1.9%	99:4	1.099	24.3%
89:1	0.803	2.5%	00:1	1.200	42.1%
89:2	0.950	17.9%	00:2	1.313	31.4%
89:3	0.915	10.0%	00:3	1.325	24.7%
89:4	0.871	7.4%	00:4	1.305	18.8%
90:1	0.900	12.1%	01:1	1.253	4.4%
90:2	0.927	-2.5%	01:2	1.400	6.7%
90:3	1.031	12.7%	01:3	1.256	-5.2%
90:4	1.182	35.7%	01:4	1.049	-19.6%
91:1	1.005	11.7%	02:1	1.006	-19.7%
91:2	0.989	6.7%	02:2	1.204	-14.0%
91:3	0.991	-3.9%	02:3	1.208	-3.8%
91:4	0.985	-16.7%	02:4	1.223	16.5%
92:1	0.934	-7.1%	03:1	1.376	36.7%
92:2	0.991	0.2%	03:2	1.333	10.8%
92:3	1.022	3.1%	03:3	1.383	14.5%
92:4	1.013	2.8%	03:4	1.313	7.4%
93:1	0.978	4.7%	04:1	1.428	3.8%
93:2	0.991	0.1%	04:2	1.659	24.5%
93:3	0.969	-5.1%	04:3	1.621	17.2%
93:4	0.971	-4.1%	04:4	1.679	27.9%
94:1	0.926	-5.3%	05:1	1.647	15.3%
94:2	0.959	-3.2%	05:2	1.883	13.5%
94:3	1.027	5.9%	05:3	2.189	35.1%
94:4	1.015	4.6%			

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>
Jan-01	1.388	1.490	1.575
Feb-01	1.407	1.509	1.594
Mar-01	1.347	1.441	1.525
Apr-01	1.468	1.565	1.650
May-01	1.534	1.631	1.713
Jun-01	1.417	1.520	1.591
Jul-01	1.269	1.369	1.450
Aug-01	1.287	1.384	1.469
Sep-01	1.377	1.478	1.563
Oct-01	1.217	1.317	1.396
Nov-01	1.080	1.181	1.266
Dec-01	1.035	1.132	1.217
Jan-02	1.069	1.170	1.253
Feb-02	1.076	1.175	1.259
Mar-02	1.205	1.304	1.387
Apr-02	1.343	1.445	1.530
May-02	1.328	1.432	1.518
Jun-02	1.300	1.403	1.490
Jul-02	1.295	1.395	1.485
Aug-02	1.295	1.397	1.486
Sep-02	1.306	1.406	1.497
Oct-02	1.399	1.470	1.551
Nov-02	1.356	1.463	1.548
12/1/2002 *	1.384	1.488	1.573
Jan-03	1.411	1.513	1.598
Feb-03	1.566	1.665	1.751
Mar-03	1.593	1.696	1.780
Apr-03	1.477	1.583	1.664
May-03	1.363	1.464	1.548
Jun-03	1.379	1.481	1.567
Jul-03	1.437	1.539	1.624
Aug-03	1.524	1.623	1.710
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

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

(*) Based on trend estimation.

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 one year prior	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one year prior
Jan 1998	310,477	-0.4%	3,902,853	2.1%
Feb 1998	290,762	3.2%	3,911,765	2.1%
Mar 1998	332,393	2.1%	3,918,757	2.1%
Apr 1998	339,288	4.8%	3,934,174	2.3%
May 1998	341,225	-0.2%	3,933,553	2.0%
Jun 1998	345,148	8.6%	3,960,824	2.7%
Jul 1998	362,250	4.0%	3,974,611	2.7%
Aug 1998	349,411	1.4%	3,979,448	2.8%
Sep 1998	337,580	5.4%	3,996,889	2.9%
Oct 1998	353,589	3.4%	4,008,632	3.0%
Nov 1998	327,307	5.6%	4,026,036	3.6%
Dec 1998	346,381	2.9%	4,035,811	3.4%
Jan 1999	303,896	-2.1%	4,029,230	3.2%
Feb 1999	295,246	1.5%	4,033,714	3.1%
Mar 1999	342,543	3.1%	4,043,864	3.2%
Apr 1999	339,125	0.0%	4,043,701	2.8%
May 1999	349,012	2.3%	4,051,488	3.0%
Jun 1999	353,821	2.5%	4,060,161	2.5%
Jul 1999	357,973	-1.2%	4,055,884	2.0%
Aug 1999	389,071	11.4%	4,095,544	2.9%
Sep 1999	352,327	4.4%	4,110,291	2.8%
Oct 1999	349,249	-1.2%	4,105,951	2.4%
Nov 1999	356,112	8.8%	4,134,756	2.7%
Dec 1999	420,568	21.4%	4,208,943	4.3%
Jan 2000	246,533	-18.9%	4,151,580	3.0%
Feb 2000	322,212	9.1%	4,178,546	3.6%
Mar 2000	353,117	3.1%	4,189,120	3.6%
Apr 2000	338,465	-0.2%	4,188,460	3.6%
May 2000	365,442	4.7%	4,204,890	3.8%
Jun 2000	362,849	2.6%	4,213,918	3.8%
Jul 2000	353,474	-1.3%	4,209,419	3.8%
Aug 2000	376,075	-3.3%	4,196,423	2.5%
Sep 2000	340,185	-3.4%	4,184,281	1.8%
Oct 2000	360,400	3.2%	4,195,432	2.2%
Nov 2000	344,452	-3.3%	4,183,772	1.2%
Dec 2000	351,636	-16.4%	4,114,840	-2.2%
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%

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	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%
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%

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
1/99	193.6	2,614.3	2.9%	9,741.3	128,562.5	2.5%
2/99	191.5	2,618.8	2.9%	9,975.6	128,898.0	2.4%
3/99	220.8	2,628.1	3.2%	10,832.4	129,225.5	2.4%
4/99	221.0	2,630.5	2.9%	10,939.8	129,556.1	2.6%
5/99	230.8	2,631.4	2.6%	11,492.9	129,885.0	2.7%
6/99	236.0	2,640.2	2.6%	11,515.1	130,343.5	2.9%
7/99	243.1	2,639.7	2.1%	11,641.3	130,483.4	2.7%
8/99	241.5	2,644.6	2.1%	11,875.1	131,245.4	3.1%
9/99	224.3	2,649.6	1.9%	11,026.5	131,371.9	2.8%
10/99	233.6	2,657.7	2.0%	11,028.6	131,686.5	2.9%
11/99	221.9	2,670.8	2.2%	11,116.0	132,258.1	3.0%
12/99	221.5	2,679.6	2.3%	11,539.8	132,724.4	3.2%
1/00	199.3	2,685.3	2.7%	9,953.3	132,936.4	3.4%
2/00	195.2	2,689.0	2.7%	10,324.4	133,285.2	3.4%
3/00	227.8	2,696.0	2.6%	10,644.3	133,097.1	3.0%
4/00	223.2	2,698.2	2.6%	11,108.9	133,266.2	2.9%
5/00	237.6	2,705.0	2.8%	11,646.8	133,420.1	2.7%
6/00	238.3	2,707.3	2.5%	11,311.1	133,216.1	2.2%
7/00	240.3	2,704.5	2.5%	11,539.6	133,114.4	2.0%
8/00	242.9	2,705.9	2.3%	11,674.0	132,913.3	1.3%
9/00	222.6	2,704.2	2.1%	10,982.0	132,868.8	1.1%
10/00	231.8	2,702.4	1.7%	11,252.4	133,092.6	1.1%
11/00	218.4	2,698.9	1.1%	10,863.9	132,840.5	0.4%
12/00	214.2	2,691.6	0.4%	11,323.1	132,623.8	-0.1%
1/01	209.3	2,701.6	0.6%	10,422.2	133,092.7	0.1%
2/01	199.9	2,706.3	0.6%	10,207.4	132,975.7	-0.2%
3/01	231.5	2,710.0	0.5%	10,916.8	133,248.2	0.1%
4/01	231.4	2,718.2	0.7%	11,134.2	133,273.5	0.0%
5/01	244.3	2,724.9	0.7%	11,536.2	133,162.9	-0.2%
6/01	242.6	2,729.2	0.8%	11,705.6	133,557.4	0.3%
7/01	248.8	2,737.7	1.2%	11,691.1	133,708.9	0.4%
8/01	251.7	2,746.5	1.5%	11,894.2	133,929.1	0.8%
9/01	224.6	2,748.5	1.6%	10,978.4	133,925.5	0.8%
10/01	240.0	2,756.7	2.0%	11,281.5	133,954.6	0.6%
11/01	229.5	2,767.8	2.6%	11,093.0	134,183.7	1.0%
12/01	228.1	2,781.7	3.3%	11,360.1	134,220.7	1.2%
1/02	213.7	2,786.1	3.1%	10,751.1	134,549.6	1.1%
2/02	206.4	2,792.6	3.2%	10,230.3	134,572.5	1.2%
3/02	234.0	2,795.1	3.1%	11,265.8	134,921.5	1.3%
4/02	234.7	2,798.4	3.0%	11,469.3	135,256.6	1.5%
5/02	249.7	2,803.8	2.9%	12,062.9	135,783.3	2.0%
6/02	246.3	2,807.5	2.9%	11,669.3	135,747.0	1.6%

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

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
7/02	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%	11,187.0	139,200.2	0.8%
2/04	213.2	2,905.1	2.7%	11,127.0	140,262.5	1.7%
3/04	251.6	2,919.8	3.1%	11,687.2	140,676.1	2.0%
4/04	251.2	2,931.8	3.3%	11,889.3	141,168.5	2.4%
5/04	256.6	2,934.5	3.3%	12,256.2	141,384.5	2.6%
6/04	257.4	2,939.2	3.2%	11,908.0	141,363.1	2.3%
7/04	265.7	2,942.9	3.1%	12,225.0	141,331.0	2.2%
8/04	262.5	2,945.0	3.0%	12,196.8	141,187.5	2.0%
9/04	242.6	2,950.6	3.0%	11,836.2	141,424.4	2.1%
10/04	253.7	2,950.0	2.5%	11,762.4	141,297.8	1.8%
11/04	240.3	2,956.0	2.5%	11,490.7	141,400.4	1.9%
12/04	246.0	2,962.5	2.5%	12,177.3	141,743.1	1.9%
1/05	221.2	2,962.0	2.3%			
2/05	217.5	2,966.3	2.1%			
3/05	251.8	2,966.5	1.6%			
4/05	249.3	2,964.6	1.1%			
5/05	260.6	2,968.6	1.2%			
6/05	261.9	2,973.1	1.2%			
7/05	265.0	2,972.4	1.0%			
8/05	263.3	2,973.2	1.0%			
9/05	239.5	2,970.1	0.7%			
10/05	249.7	2,966.1	0.5%			

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

COMPONENTS OF THE CPI INDEX
MONTHLY PERCENT CHANGES

	<u>CPI-U: All Items CUSA0NS</u>	<u>CPI-U: Med. Care CUSAMNS</u>	<u>CPI-U: Phys-Serv CUSEMC01NS</u>	<u>CPI-U: Hospital & Other Related Services CUSEMDNS</u>	<u>Weekly Income AWEEAP</u>	<u>CPI-U: Automobile Bodywork CUSETD01NS</u>	<u>PPI: All Items WPINS</u>	<u>PPI: Metal/MPR WPI10NS</u>
00:7	0.2%	0.3%	0.1%	0.8%	0.4%	0.3%	-0.1%	0.1%
00:8	0.0%	0.5%	0.2%	1.0%	-0.1%	0.7%	-0.6%	0.0%
00:9	0.5%	0.2%	0.2%	0.4%	0.4%	0.7%	1.4%	0.3%
00:10	0.2%	0.2%	0.1%	0.3%	0.7%	0.4%	0.5%	-0.4%
00:11	0.1%	0.2%	0.0%	0.3%	0.1%	0.1%	-0.3%	-0.9%
00:12	-0.1%	0.3%	0.2%	0.2%	-0.3%	0.0%	0.9%	0.1%
01:1	0.6%	0.9%	1.2%	1.0%	0.7%	0.4%	2.8%	0.0%
01:2	0.4%	0.7%	0.6%	0.8%	0.0%	0.1%	-1.9%	-0.2%
01:3	0.2%	0.4%	0.1%	0.5%	0.6%	-0.1%	-1.1%	0.0%
01:4	0.4%	0.3%	0.4%	0.2%	0.0%	0.3%	0.4%	-0.5%
01:5	0.5%	0.2%	0.0%	0.4%	0.3%	0.7%	0.3%	0.1%
01:6	0.2%	0.4%	0.3%	0.4%	0.3%	0.5%	-1.0%	-0.2%
01:7	-0.3%	0.2%	0.0%	0.4%	0.1%	0.0%	-1.5%	-0.2%
01:8	0.0%	0.5%	0.6%	1.0%	0.0%	0.4%	0.0%	-0.4%
01:9	0.5%	0.2%	0.0%	0.4%	0.0%	0.9%	-0.1%	-0.1%
01:10	-0.3%	0.3%	0.3%	0.6%	-0.2%	0.3%	-2.3%	-0.6%
01:11	-0.2%	0.3%	0.0%	0.7%	0.6%	-0.3%	-0.4%	-0.4%
01:12	-0.4%	0.2%	0.0%	0.3%	0.3%	0.1%	-1.3%	0.0%
02:1	0.2%	0.8%	0.9%	1.4%	0.0%	-0.1%	0.3%	0.1%
02:2	0.4%	0.5%	0.0%	0.9%	0.3%	-0.1%	-0.1%	0.2%
02:3	0.6%	0.4%	0.1%	0.8%	0.2%	0.4%	1.1%	0.4%
02:4	0.6%	0.4%	0.0%	0.8%	0.4%	0.0%	0.8%	0.4%
02:5	0.0%	0.3%	0.2%	0.6%	0.3%	0.1%	0.0%	0.5%
02:6	0.1%	0.2%	0.2%	0.2%	0.4%	0.6%	0.1%	0.6%
02:7	0.1%	0.7%	1.1%	0.6%	0.0%	0.6%	0.2%	0.3%
02:8	0.3%	0.2%	0.0%	1.0%	0.6%	0.2%	0.2%	-0.2%
02:9	0.2%	0.1%	-0.1%	0.5%	0.3%	0.1%	0.6%	0.4%
02:10	0.2%	0.5%	0.6%	0.9%	0.0%	0.0%	0.7%	-0.1%
02:11	0.0%	0.4%	0.3%	1.1%	0.2%	0.3%	-0.1%	0.2%
02:12	-0.2%	0.3%	0.1%	0.4%	0.4%	-0.3%	-0.2%	-0.1%
03:1	0.4%	0.4%	0.3%	0.9%	0.0%	-0.1%	1.8%	0.3%
03:2	0.8%	0.4%	0.4%	0.6%	0.2%	0.3%	1.7%	0.5%
03:3	0.6%	0.2%	0.0%	0.1%	0.3%	0.3%	2.6%	0.2%
03:4	-0.2%	0.1%	0.3%	0.0%	-0.7%	0.0%	-3.1%	-0.2%
03:5	-0.2%	0.3%	0.3%	0.1%	0.4%	0.0%	-0.1%	0.1%
03:6	0.1%	0.3%	-0.1%	0.7%	0.2%	0.2%	1.0%	0.0%
03:7	0.1%	0.4%	0.3%	0.7%	0.3%	0.2%	-0.2%	0.1%
03:8	0.4%	0.3%	0.0%	0.8%	0.1%	0.1%	0.2%	0.5%
03:9	0.3%	0.3%	0.1%	0.4%	0.0%	-0.1%	0.4%	0.4%
03:10	-0.1%	0.2%	0.3%	0.3%	0.4%	0.2%	0.6%	0.5%
03:11	-0.3%	0.3%	0.0%	1.2%	0.6%	0.1%	-0.3%	0.9%
03:12	-0.1%	0.4%	0.3%	0.3%	-0.6%	0.6%	0.4%	1.3%
04:1	0.5%	0.5%	0.5%	0.7%	0.8%	0.0%	1.4%	2.1%
04:2	0.5%	0.8%	1.3%	0.7%	0.2%	0.2%	0.5%	3.2%
04:3	0.6%	0.5%	0.8%	0.3%	-0.1%	0.4%	0.7%	2.6%
04:4	0.3%	0.3%	0.2%	0.0%	0.3%	0.4%	1.2%	1.8%
04:5	0.6%	0.2%	0.1%	0.2%	0.6%	0.5%	1.4%	0.3%
04:6	0.3%	0.3%	0.1%	0.6%	-0.5%	-0.1%	0.3%	0.2%
04:7	-0.2%	0.3%	0.1%	0.5%	0.7%	0.1%	0.1%	2.7%
04:8	0.1%	0.2%	0.5%	-0.1%	0.3%	0.2%	0.4%	1.8%
04:9	0.2%	0.2%	0.1%	0.4%	0.5%	0.6%	-0.2%	0.5%
04:10	0.5%	0.3%	0.2%	0.5%	0.3%	0.3%	1.6%	1.6%
04:11	0.1%	0.3%	0.1%	0.6%	-0.2%	0.0%	0.9%	1.0%
04:12	-0.4%	0.3%	0.0%	0.7%	0.2%	-0.1%	-0.8%	0.3%
05:1	0.2%	0.6%	0.4%	0.7%	0.3%	-0.1%	0.5%	0.7%
05:2	0.6%	0.8%	1.1%	0.9%	0.1%	0.1%	0.5%	0.2%
05:3	0.8%	0.4%	0.2%	0.6%	0.3%	0.3%	1.4%	-0.1%
05:4	0.7%	0.2%	0.3%	0.0%	0.6%	0.7%	0.8%	0.4%
05:5	-0.1%	0.2%	0.3%	0.0%	-0.1%	0.5%	-0.5%	-1.1%
05:6	0.1%	0.2%	0.0%	0.1%	0.2%	0.3%	0.0%	-1.1%
05:7	0.5%	0.4%	0.2%	0.7%	0.4%	0.4%	1.3%	-0.1%
05:8	0.5%	-0.1%	0.1%	-0.3%	0.2%	0.3%	0.6%	0.4%
05:9	1.2%	0.2%	0.1%	0.0%	0.4%	1.1%	2.9%	1.9%

COMPONENTS OF THE CPI INDEX
ANNUAL PERCENT CHANGES

<u>Year</u>	<u>CPI-U: All Items CUSA0NS</u>	<u>CPI-U: Med. Care CUSAMNS</u>	<u>CPI-U: Phys-Serv CUSEMC01NS</u>	<u>CPI-U: Hospital & Other Related Services CUSEMDNS</u>	<u>Weekly Income AWEAP</u>	<u>CPI-U: Automobile Bodywork CUSETD01NS</u>	<u>PPI: All Items WPINS</u>	<u>PPI: Metal/MPR WPI10NS</u>
00:7	3.7%	4.1%	3.6%	6.3%	3.6%	3.0%	6.4%	2.9%
00:8	3.4%	4.2%	3.7%	6.6%	3.2%	3.2%	4.7%	2.5%
00:9	3.5%	4.3%	3.9%	6.8%	3.1%	4.2%	5.2%	2.3%
00:10	3.4%	4.3%	3.7%	6.8%	3.7%	4.3%	6.0%	1.3%
00:11	3.4%	4.3%	3.6%	6.8%	3.6%	3.7%	5.2%	0.2%
00:12	3.4%	4.2%	3.9%	6.2%	3.0%	3.7%	6.6%	-0.3%
01:1	3.7%	4.5%	4.4%	6.5%	3.3%	4.3%	9.1%	-1.1%
01:2	3.5%	4.6%	4.0%	6.6%	2.9%	4.2%	5.9%	-1.7%
01:3	2.9%	4.6%	3.5%	6.8%	3.5%	3.4%	3.9%	-1.6%
01:4	3.3%	4.6%	3.6%	6.7%	2.7%	3.4%	4.4%	-2.0%
01:5	3.6%	4.6%	3.6%	6.9%	3.1%	3.9%	4.0%	-1.6%
01:6	3.2%	4.6%	3.4%	6.7%	3.0%	4.2%	1.3%	-1.6%
01:7	2.7%	4.5%	3.3%	6.2%	2.8%	3.9%	-0.2%	-2.0%
01:8	2.7%	4.5%	3.7%	6.2%	2.9%	3.6%	0.4%	-2.3%
01:9	2.6%	4.5%	3.6%	6.2%	2.4%	3.8%	-1.0%	-2.7%
01:10	2.1%	4.6%	3.7%	6.6%	1.5%	3.7%	-3.8%	-3.0%
01:11	1.9%	4.8%	3.8%	6.9%	2.1%	3.3%	-3.9%	-2.5%
01:12	1.6%	4.7%	3.5%	7.1%	2.7%	3.4%	-5.9%	-2.6%
02:1	1.1%	4.7%	3.2%	7.5%	2.0%	2.9%	-8.2%	-2.5%
02:2	1.1%	4.5%	2.6%	7.7%	2.3%	2.7%	-6.6%	-2.1%
02:3	1.5%	4.4%	2.6%	8.0%	1.9%	3.2%	-4.5%	-1.7%
02:4	1.6%	4.6%	2.1%	8.6%	2.3%	2.9%	-4.1%	-0.8%
02:5	1.2%	4.7%	2.3%	8.8%	2.3%	2.2%	-4.4%	-0.4%
02:6	1.1%	4.5%	2.2%	8.5%	2.5%	2.3%	-3.4%	0.5%
02:7	1.5%	4.9%	3.4%	8.8%	2.3%	2.8%	-1.6%	1.0%
02:8	1.8%	4.7%	2.7%	8.8%	2.9%	2.7%	-1.4%	1.3%
02:9	1.5%	4.6%	2.6%	9.0%	3.2%	2.0%	-0.8%	1.8%
02:10	2.0%	4.8%	2.9%	9.3%	3.4%	1.7%	2.2%	2.3%
02:11	2.2%	5.0%	3.1%	9.7%	3.0%	2.2%	2.5%	3.0%
02:12	2.4%	5.0%	3.2%	9.8%	3.1%	1.8%	3.7%	2.9%
03:1	2.6%	4.6%	2.7%	9.2%	3.1%	1.8%	5.3%	3.2%
03:2	3.0%	4.5%	3.1%	8.9%	3.1%	2.2%	7.2%	3.5%
03:3	3.0%	4.3%	3.0%	8.2%	3.2%	2.2%	8.8%	3.2%
03:4	2.2%	4.0%	3.3%	7.3%	2.0%	2.2%	4.6%	2.6%
03:5	2.1%	4.0%	3.4%	6.7%	2.1%	2.2%	4.5%	2.1%
03:6	2.1%	4.1%	3.1%	7.3%	1.9%	1.8%	5.4%	1.5%
03:7	2.1%	3.8%	2.3%	7.4%	2.3%	1.4%	5.0%	1.3%
03:8	2.2%	3.9%	2.4%	7.2%	1.8%	1.3%	4.9%	1.9%
03:9	2.3%	4.0%	2.6%	7.0%	1.4%	1.0%	4.7%	1.9%
03:10	2.0%	3.7%	2.3%	6.4%	1.8%	1.2%	4.6%	2.5%
03:11	1.8%	3.5%	2.0%	6.5%	2.1%	1.0%	4.4%	3.2%
03:12	1.9%	3.7%	2.3%	6.4%	1.1%	1.9%	5.0%	4.6%
04:1	1.9%	3.8%	2.5%	6.2%	1.9%	2.0%	4.5%	6.5%
04:2	1.7%	4.2%	3.4%	6.3%	1.9%	1.8%	3.3%	9.3%
04:3	1.7%	4.5%	4.2%	6.5%	1.5%	1.9%	1.3%	12.0%
04:4	2.3%	4.7%	4.2%	6.4%	2.5%	2.4%	5.8%	14.3%
04:5	3.1%	4.6%	3.9%	6.6%	2.6%	2.8%	7.4%	14.6%
04:6	3.3%	4.6%	4.1%	6.4%	2.0%	2.5%	6.7%	14.8%
04:7	3.0%	4.5%	3.9%	6.2%	2.3%	2.4%	7.0%	17.8%
04:8	2.7%	4.4%	4.4%	5.2%	2.5%	2.6%	7.2%	19.4%
04:9	2.5%	4.4%	4.4%	5.2%	3.0%	3.3%	6.6%	19.5%
04:10	3.2%	4.5%	4.3%	5.4%	2.9%	3.5%	7.7%	20.7%
04:11	3.5%	4.4%	4.3%	4.8%	2.1%	3.4%	9.0%	20.7%
04:12	3.3%	4.2%	4.0%	5.2%	2.9%	2.7%	7.7%	19.5%
05:1	3.0%	4.3%	3.9%	5.2%	2.4%	2.5%	6.7%	17.8%
05:2	3.0%	4.3%	3.7%	5.4%	2.3%	2.4%	6.7%	14.5%
05:3	3.1%	4.3%	3.1%	5.7%	2.6%	2.3%	7.4%	11.5%
05:4	3.5%	4.3%	3.3%	5.7%	3.0%	2.6%	7.0%	10.0%
05:5	2.8%	4.3%	3.5%	5.5%	2.3%	2.6%	5.1%	8.4%
05:6	2.5%	4.2%	3.4%	5.0%	3.1%	3.1%	4.8%	7.0%
05:7	3.2%	4.2%	3.6%	5.2%	2.8%	3.4%	6.0%	4.0%
05:8	3.6%	3.9%	3.1%	5.0%	2.7%	3.4%	6.3%	2.6%
05:9	4.7%	3.9%	3.1%	4.6%	2.7%	4.0%	9.6%	4.1%

CPI ALL ITEMS (URBAN) - LESS ENERGY

CUSA0LENS

<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>
01:1	1.810	2.7%
01:2	1.818	2.8%
01:3	1.826	2.7%
01:4	1.829	2.7%
01:5	1.829	2.6%
01:6	1.833	2.8%
01:7	1.836	2.7%
01:8	1.841	2.8%
01:9	1.845	2.7%
01:10	1.851	2.8%
01:11	1.854	2.8%
01:12	1.852	2.8%
02:1	1.857	2.6%
02:2	1.865	2.6%
02:3	1.871	2.5%
02:4	1.875	2.5%
02:5	1.874	2.5%
02:6	1.873	2.2%
02:7	1.875	2.1%
02:8	1.881	2.2%
02:9	1.884	2.1%
02:10	1.888	2.0%
02:11	1.889	1.9%
02:12	1.886	1.8%
03:1	1.890	1.8%
03:2	1.897	1.7%
03:3	1.902	1.7%
03:4	1.902	1.4%
03:5	1.903	1.5%
03:6	1.903	1.6%
03:7	1.905	1.6%
03:8	1.908	1.4%
03:9	1.910	1.4%
03:10	1.917	1.5%
03:11	1.916	1.4%
03:12	1.915	1.5%
04:1	1.919	1.5%
04:2	1.927	1.6%
04:3	1.937	1.8%
04:4	1.941	2.1%
04:5	1.943	2.1%
04:6	1.944	2.2%
04:7	1.945	2.1%
04:8	1.947	2.0%
04:9	1.952	2.2%
04:10	1.960	2.2%
04:11	1.960	2.3%
04:12	1.958	2.2%
05:1	1.964	2.3%
05:2	1.973	2.4%
05:3	1.983	2.4%
05:4	1.986	2.3%
05:5	1.986	2.2%
05:6	1.985	2.1%
05:7	1.987	2.2%
05:8	1.989	2.2%
05:9	1.992	2.0%

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>
12/1998	90%	10%
12/1999	90	10
12/2000	83	17
12/2001	85	15
12/2002	90	10
12/2003	87	13
12/2004	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-155-156. See also pre-filed testimony of P. Woods.
- (c) Pages F-100-114 contain information on expenses for the top 10
writers.

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Premiums Written at Manual Level	\$2,128,075,319	\$2,088,424,946	\$2,182,501,620	\$2,319,914,842	\$2,344,630,005
Premiums Earned at Manual Level	2,140,805,296	2,091,064,008	2,153,995,534	2,272,048,154	2,317,791,914
Premium Written (Collected Level)	1,931,613,561	1,896,237,159	1,966,486,164	2,131,701,669	2,186,772,183
Premium Earned (Collected Level)	1,939,239,000	1,897,802,072	1,939,187,608	2,080,058,726	2,165,237,699
Commission & Brokerage	184,638,340	189,078,142	196,758,521	208,066,954	216,474,247
Other Acquisition	150,011,919	138,898,741	157,517,235	178,306,347	191,699,030
General Expenses	115,123,637	121,344,299	129,965,042	126,339,929	137,708,746
Taxes, Licenses, and Fees	43,306,666	45,064,435	48,885,392	50,675,808	49,949,234
Bodily Injury Losses Incurred	779,777,822	876,481,923	797,908,662	901,261,493	983,642,182
BI Allocated Loss Adjustment	33,979,502	38,066,636	11,029,181	33,670,584	36,670,488
BI Unallocated Loss Adjustment	107,502,974	116,743,366	108,169,312	111,448,514	115,524,475
Property Damage Losses Incurred	539,273,166	537,030,087	583,087,084	588,252,361	602,068,126
PD Allocated Loss Adjustment	3,062,127	1,738,292	4,491,936	8,993,978	6,792,019
PD Unallocated Loss Adjustment	58,826,778	62,402,493	67,179,157	76,384,689	76,480,634
<u>COMBINED RATIOS</u>					
Commission & Brokerage to	.096	.100	.100	.098	.099
Written Premium (a) (b)					
Other Acquisition to	.070	.066	.073	.078	.083
Earned Premium (c)					
General Expenses to	.054	.058	.059	.056	.059
Earned Premium (c)					
Taxes, Licenses, etc. to	.022	.024	.025	.024	.023
Written Premium (b)					
Unallocated Loss Adjustment					
Expenses to Losses + Allocated	.132	.128	.116	.119	.113
			<u>BI</u>	<u>BI</u>	<u>BI</u>
			<u>PD</u>	<u>PD</u>	<u>PD</u>
			.108	.134	.128
			.128	.116	.113
			.132	.114	.126

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

<u>Item</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>
Premiums Written	\$14,743,182	\$17,569,891	\$17,767,876	\$21,404,466	\$24,368,906
Premiums Earned	14,430,309	16,953,554	17,226,637	20,360,578	23,453,046
Commission & Brokerage	1,840,657	2,004,943	2,096,798	2,434,725	2,512,584
Other Acquisition	1,274,959	1,376,449	1,409,269	1,409,720	1,718,064
General Expenses	801,372	1,086,450	914,380	768,456	913,911
Taxes, Licenses, and Fees	321,212	403,676	441,524	461,972	512,953
Losses Incurred	7,244,023	7,836,352	7,684,849	10,614,863	11,368,841
All Loss Adjustment Expenses	552,887	885,800	1,160,753	2,258,406	2,017,972
		<u>COMBINED RATIOS</u>			
Commission & Brokerage to Written Premium	.125	.114	.118	.114	.103
Other Acquisition to Earned Premium	.088	.081	.082	.069	.073
General Expenses to Earned Premium	.056	.064	.053	.038	.039
Taxes, Licenses, etc. to Written Premium	.022	.023	.025	.022	.021
All Loss Adjustment Expenses to Losses	.076	.113	.151	.213	.178

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, 2006 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 12/31/2000		\$578,208,060
2. Mean Unearned Premium Reserve	0.303 x (1)	175,197,042
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		1.83%
50% of Other Acquisition Expense		3.60%
50% of Company Operating Expense		2.75%
Total		18.18%
4. (2) x (3)		31,850,822
5. Net Subject to Investment (2) - (4)		143,346,220

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$578,208,060
2. Average Agents' Balances		0.184
3. Delayed Remission (1) x (2)		106,390,283

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$578,208,060
2. Expected Incurred Losses and Loss Adjustment		461,988,240
0.799 x (1)		
3. Expected Mean Loss Reserves	0.963 x (2)	444,894,675

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 481,850,612

E. Average Rate of Return 5.38%

F. Investment Earnings on Net Subject to Investment (D) x (E) 25,923,563

G. Average Rate of Return as a Percent of Direct Earned Premium 4.48%
(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 12/31/2000 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 12/31/2000	\$1,766,109,101
2. Unearned Premium Reserve as of 12/31/1999	539,271,751
3. Unearned Premium Reserve as of 12/31/2000	531,040,694
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	535,156,223
5. Ratio (4) \div (1)	0.303

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 2000 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 17.8% of net written premiums. The 17.8% 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 .184 (.178 x 1.031 = .184).

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 1999 and 2000 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 1999	\$1,252,963,753
2. Incurred Losses for Calendar Year 2000	1,315,651,113
3. Loss Reserves as of 12/31/1998	1,236,988,706
4. Loss Reserves as of 12/31/1999	1,221,595,169
5. Loss Reserves as of 12/31/2000	1,213,324,628
6. Mean Loss Reserve 1999: 1/2 [(3) + (4)]	1,229,291,938
7. Mean Loss Reserve 2000: 1/2 [(4) + (5)]	1,217,459,899
8. Ratio (6) ÷ (1)	0.981
9. Ratio (7) ÷ (2)	0.925
10. Loss Reserve: 1/2 [(8) + (9)]	0.953
11. Ratio of LAE Reserves to Loss Reserves (a)	0.207
12. Ratio of Incurred LAE to Incurred Losses (a)	0.195
13. Loss and LAE Reserve [(10)x(1.0+(11)))/(1.0+(12))]	0.963

(a) Based on 2000 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 12/31/2001		\$665,179,578
2. Mean Unearned Premium Reserve	0.280 x (1)	186,250,282
3. Deduction for Prepaid Expenses		
Commission and Brokerage Expense		10.00%
Taxes, Licenses and Fees		2.00%
50% of Other Acquisition Expense		3.40%
50% of Company Operating Expense		2.95%
Total		18.35%
4. (2) x (3)		34,176,927
5. Net Subject to Investment (2) - (4)		152,073,355

B. Delayed Remission of Premium (Agents' Balances)

1. Direct Earned Premium (A-1)		\$665,179,578
2. Average Agents' Balances		0.184
3. Delayed Remission (1) x (2)		122,393,042

C. Loss Reserve

1. Direct Earned Premium (A-1)		\$665,179,578
2. Expected Incurred Losses and Loss Adjustment		520,170,430
0.782 x (1)		
3. Expected Mean Loss Reserves	0.911 x (2)	473,875,262

D. Net Subject to Investment (A-5) - (B-3) + (C-3) 503,555,575

E. Average Rate of Return 4.32%

F. Investment Earnings on Net Subject to Investment (D) x (E) 21,753,601

G. Average Rate of Return as a Percent of Direct Earned Premium 3.27%
(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 12/31/2001 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 12/31/2001	\$1,895,563,770
2. Unearned Premium Reserve as of 12/31/2000	531,040,694
3. Unearned Premium Reserve as of 12/31/2001	529,221,396
4. Mean Unearned Premium Reserve $1/2 [(2) + (3)]$	530,131,045
5. Ratio (4) \div (1)	0.280

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 2001 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 17.8% of net written premiums. The 17.8% 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 .184 (.178 x 1.031 = .184).

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 2000 and 2001 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 2000	\$1,315,651,113
2. Incurred Losses for Calendar Year 2001	1,410,205,014
3. Loss Reserves as of 12/31/1999	1,221,595,169
4. Loss Reserves as of 12/31/2000	1,213,324,628
5. Loss Reserves as of 12/31/2001	1,269,542,424
6. Mean Loss Reserve 2000: 1/2 [(3) + (4)]	1,217,459,899
7. Mean Loss Reserve 2001: 1/2 [(4) + (5)]	1,241,433,526
8. Ratio (6) ÷ (1)	0.925
9. Ratio (7) ÷ (2)	0.880
10. Loss Reserve: 1/2 [(8) + (9)]	0.903
11. Ratio of LAE Reserves to Loss Reserves (a)	0.199
12. Ratio of Incurred LAE to Incurred Losses (a)	0.188
13. Loss and LAE Reserve [(10)x(1.0+(11))]/(1.0+(12))]	0.911

(a) Based on 2001 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 12/31/2002		\$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 x 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) ÷ (1)	0.880
9. Ratio (7) ÷ (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)x(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	0.885 x (2)	201,408,491

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 ceded manual level for 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 x 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) ÷ (1)	0.917
9. Ratio (7) ÷ (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)x(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 ceded manual level for 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) \div (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)

The data available to the Rate Bureau to estimate the requested length of time is the yearly paid and incurred total limits loss development data contained on pages F-40-42 and F-45-47. The data on a paid and incurred basis is shown on pages F-177 and F-178. Page F-176 shows the 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 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 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	62.9%	63.6%	9.3
15-27	20.0%	20.1%	20.3
27-39	8.6%	8.4%	32.4
39-51	4.8%	4.7%	44.3
51-63	2.1%	2.2%	56.5
63-ult.	1.6%	1.0%	73.4
		(a)	(b)
(1) Average Payment Date	17.2	months	16.8
(2) Average Date of Accident	6.0	months	6.0
(3) Average Length of Time between Occurrence and Payment [(1)-(2)]	11.2	months	10.8

- (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 has decreased by four-tenths of one month over this period.

NORTH CAROLINA
ULTIMATE INCURRED LOSSES

Accident Year	Losses (a)
1991	777,806,722
1992	860,055,833
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	1,231,877,341
2002	1,290,486,562
2003	1,349,122,435
2004	1,382,665,485

(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
1991					764,871,932
1992				824,871,572	846,069,749
1993			837,420,447	888,745,260	908,189,230
1994		834,927,069	928,135,872	978,449,411	1,000,883,797
1995	670,215,563	896,546,520	993,341,823	1,046,916,855	1,067,822,322
1996	717,252,302	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	
2002	829,685,310	1,079,156,317	1,189,961,232		
2003	856,896,088	1,131,112,193			
2004	871,810,336				

Ratio of Paid to Ultimate Incurred

Accident Year	0-15 Mo.	15-27 Mo.	27-39 Months	39-51 Months	51-63 Months
1991					0.983
1992				0.959	0.984
1993			0.909	0.965	0.986
1994		0.824	0.916	0.966	0.988
1995	0.620	0.830	0.920	0.969	0.989
1996	0.633	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	0.641	0.836	0.919	0.968	
2002	0.643	0.836	0.922		
2003	0.635	0.838			
2004	0.631				
Earliest Three Year Avg	0.629	0.829	0.915	0.963	0.984
Latest Three Year Avg	0.636	0.837	0.921	0.968	0.990

Losses exclude unallocated loss adjustment expense.

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 Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1991					777,806,722
1992				861,119,645	860,055,833
1993			919,268,736	925,240,914	920,840,724
1994		989,508,721	1,013,935,436	1,016,315,942	1,012,878,331
1995	1,011,282,611	1,063,219,264	1,078,266,528	1,084,703,753	1,080,149,261
1996	1,072,001,408	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	
2002	1,177,233,497	1,247,824,357	1,275,184,350		
2003	1,218,414,098	1,306,023,654			
2004	1,260,406,094				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1992				0.999
1993			1.006	0.995
1994		1.025	1.002	0.997
1995	1.051	1.014	1.006	0.996
1996	1.043	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	
2002	1.060	1.022		
2003	1.072			

Five Year Average	1.058	1.020	1.009	1.002
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Three Year Average	1.062	1.021	1.010	1.002
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	Five Year	Three Year
39 to 63 months:	1.011	1.012
27 to 63 months:	1.031	1.033
15 to 63 months:	1.091	1.097

Losses exclude unallocated loss adjustment expense.

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 2004 Call for Personal Auto Bodily Injury and Property Damage
Liability and No-Fault Statistics

ISO 2004 Call for Personal Auto Minimum Statistical Plan Liability
and No-Fault Statistics

PCI Automobile Statistical Plans - All Coverages

PCI 2004 quarterly Automobile Liability Call

PCI Voluntary Automobile Excess Loss Call

Annual Statement for Calendar Year 2004

Insurance Expense Exhibit for Calendar Year 2004

RB Calls for 2004 North Carolina Automobile Expense Experience

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

NISS 2004 Quarterly Automobile Call

NISS 2004 Quarterly Automobile Excess Loss Call

NISS 2004 Calendar Year Annual Statement

NISS 2005 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-180-184 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.

PCI Editing Procedures

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

PCI'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 PCI has received and processed all of the data due to be filed with the PCI. First, totals of each company's processed data are compared to separate transmittal totals supplied by the company. This step ensures that PCI 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 PCI's approved statistical plans. This includes the requirement that the data must conform to the specific formats and technical specifications in order for PCI 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 PCI'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 PCI's statistical plans and have codes assigned to properly identify each definition.

All records reported to PCI are subjected to validation of the reported codes. This validation, called editing, is performed to assure that companies are reporting properly defined PCI 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 PCI 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 initials 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, PCI 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 July 15, 2005 filing have been incorporated into this filing:
 - Adopts revisions to the classification rate differentials as approved in the settlement of the Rate Bureau's February 1, 2006 rate filing. In order to maintain constant premium volume, offsets have been applied to the indicated base rates by territory. These offsets are displayed in Section H.

See also pre-filed testimony of P. Woods.

INDIVIDUALS PRESENT DURING THE APRIL 20, 2005
MEETING OF THE BOARD OF GOVERNORS

Board of Governors Members Present

Allstate Insurance Company

Bob Blystone - Controller of S.E. Region

Atlantic Casualty Insurance Company

Richard Yarbrough - President of Brokerage Operations

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Nationwide Mutual Insurance Company

Amy Powell - Underwriting Product Director

New Hampshire Insurance Company

Gary Sanginario, CPCU, Product Manager

Travelers Indemnity Company

Michael Fitzgerald - VP/Product Mgr - NC

Annette Whitaker - Underwriter

Universal Insurance Company

Gregory L. Spray - Vice President & General Manager

Agent Members Present

Able Auto Insurance

Rick Pegram

Green & Wooten Agency

John Wooten, III

Senn Dunn Marsh & Roland

Tim Ward

Wester Realty & Insurance Agency

Hutson Wester

Others Present

Atlantic Casualty Insurance Company

Mark Caughron - Underwriter

Greg Ricker - Underwriter

Progressive Insurance Company

Patricia D'Ambrosia* - Product Manager

Andrew Rose* - Product Manager

Insurance Services Office

Pat Woods* - Assistant Vice President & Manager

Dave DeNicola* - Actuarial Associate Sr.

N. C. Department of Insurance

Fred Fuller - Deputy Commissioner

Young, Moore & Henderson

Mike Strickland - Counsel

North Carolina Reinsurance Facility

Jannet Barnes - Manager, NCRF Compliance

Edith Davis - Director, NCRF

Ray Evans - General Manager

Tim Lucas - NCRB Personal Lines Manager

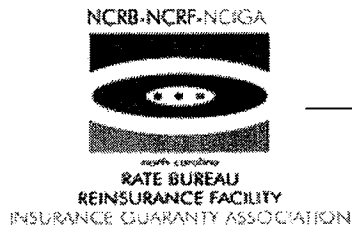
Linda McCalpin - Support Assistant, III

Liz Polley - Manager, NCRF Operations

David Sink - Director, Administration and Finance

Summer Williamson - Data Analyst

*Participated by phone



DRAFT
MINUTES OF THE NCRF BOARD OF GOVERNORS
HELD ON APRIL 5, 2006
(Via E-Mail)

COMPANY MEMBERS PRESENT

Allstate Insurance Company
Atlantic Casualty Insurance Company
Integon Indemnity Corporation
Nationwide Insurance Company
New Hampshire Insurance Company
Travelers Indemnity Company

Universal Insurance Company

AGENT MEMBERS PRESENT

Able Auto Insurance Agency
Green & Wooten Insurance
Senn Dunn Marsh & Roland
Wester Realty & Insurance Agency

OTHERS PRESENT

Atlantic Casualty Insurance Company

Progressive Insurance Company

Insurance Services Office

North Carolina Department of Insurance
Young Moore & Henderson
Staff

REPRESENTED BY

Bob Blystone
Richard Yarbrough
Art Lyon
Amy Powell
Gary Sanginario
Michael Fitzgerald
Annette Whitaker
Greg Spray

Rick Pegram
John Wooten, III
Tim Ward
Hutson Wester

REPRESENTED BY

Mark Caughron
Greg Ricker
Andrew Rose *
Patricia D'Ambrosia*
Pat Woods *
Dave DeNicola *
Fred Fuller
Mike Strickland
Jannet Barnes
Edith Davis
Ray Evans
Tim Lucas
Linda McCalpin
Liz Polley
Dave Sink
Summer Williamson

* Attended by telephone

The meeting convened as scheduled, Mr. Blystone presiding. It was noted that a quorum was participating; that Mr. Fuller was representing the Commissioner of Insurance; and that public member David Walker was not present.

Reference was made to the Facility's Antitrust Compliance Policy and Conflicts of Interest Statement, copies of which were made available.

1. Staff and Legal Reports

A. Counsel

Mr. Strickland reported that the North Carolina Rate Bureau 2006 Private Passenger rate filing settlement negotiations were proceeding; and that the filing was expected to be settled by Consent Order the following week.

B. Staff Reports

1. Director, Finance and Administration

Mr. Sink reported that final administrative expenses of \$4,056,000 for 2005 were under budget and were approximately 89% of the 2005 annual budget. He noted that the primary areas contributing to the favorable variance were in (1) Computer System Development costs due to intentional project delays; (2) Advisory service costs which were less than expected; and (3) Salaries, where a Business Application Analyst position has been established, and budgeted for but not yet filled, but should be as the EDGE system gets closer to development and implementation.

Mr. Sink stated that the current investment account balance at April 4, 2006 had a market value of \$ 685.8 million, and an estimated annual income of \$30.7 million. He also reported that the Investment Committee was scheduled to meet by telephone conference on Thursday, April 20, 2006.

With regard to the Facility's Partnership tax return, Mr. Sink advised that this was completed and delivered on April 3, 2006, and that Schedule K-1's would be mailed to member companies. He advised that, as was normally the case, a filing extension was obtained this year.

Mr. Sink reported that (1) the operating results for the quarter ended December 31, 2005 showed a net operating gain of \$26.5 million (before Loss Recoupment); (2) this was mostly attributable to the increased Clean Risk surcharges and decreased Incurred Losses compared to prior periods; and (3) the operating gain combined with the Loss Recoupments of \$25.8 for this quarter had improved the Member's Equity position by approximately \$52 million.

2. Compliance Manager

Ms. Barnes reported that there had been very few satisfactory premium refund audits resulting from both misinterpretation of the instructions and systems errors, and these audits had resulted in subsequent related audits primarily related to recoupment reporting.

She further stated that the implementation of new audit procedures resulted in the review of over 5,000 files from more than 100 reporting companies or groups in the three principal areas of Premiums, Recoupments, and Claims, which comprised a 31% increase in the files audited over the prior year.

Ms. Barnes further reported that the Quarterly Suit Report had been eliminated.

3. Operations Manager

Ms. Polley reported that for calendar year 2005 that (1) cession volume of 2,651,356 was an increase of less than 1% over 2004; (2) written premiums of \$748,056,690 were a 2% increase over 2004; and (3) losses paid of \$613,157,111.90 were an increase of less than 1% over 2004.

She further stated that the overall recoupment collections for calendar year 2005 were increased over CY 2004 by 102% from \$127,074,657 million to \$257,647,734 million dollars due to the addition of the Loss Recoupment in April 2005 and the upward adjustment of the Clean Risk Recoupment that occurred in April and October of 2005. It was noted that the Loss Recoupment implemented April 2005 was not renewed for policies effective after March 31, 2006.

4. Director, Reinsurance Facility

Ms. Davis reported that the recoupment actions taken by the Board during 2005 were proving to be successful in achieving both the financial and timing goals set by the Board last year. She advised that the Facility should be able to start annual recoupment revisions beginning in October of each year rather than July beginning in 2006, thereby reducing the overhead on the member companies for making this systems change.

It was noted that the improvement in the member's equity account had eliminated the need to continue a loss recoupment beyond the original March 31, 2006 policy effective dates.

5. Automobile Manager

Mr. Lucas reported that the Automobile Committee met to review the possibility of rewriting the inexperienced operator rule to provide for using only United States, Canada and Puerto Rico driving experience. He stated (1) that there was broad support among the Committee members that this is the appropriate approach; (2) that there was considerable

discussion regarding the use of a presumption of inexperience in the rule; and (3) that the Committee decided to table the issue until a later date.

He further stated that the Automobile Committee would have an update and possibly a recommendation for the next Board of Governors meeting.

6. General Manager

Mr. Evans discussed the potential settlement of the 2006 Private Passenger rate filing and indicated that overall, the proposed settlement was similar to the 2005 Private Passenger filing settlement.

2. Automobile Committee Report and Recommendation

Attention was directed to copies of several exhibits distributed prior to the meeting that were prepared by Insurance Services Office relating to preliminary rate level indications for private passenger automobile insurance rates for other than "clean risks" ceded to the Reinsurance Facility.

Mr. Armstrong and Mr. DeNicola reviewed the exhibits, noting (1) that the loss and expense trends utilized in the rate level calculations were updated from the trend selections utilized in the voluntary private passenger automobile insurance rate filing submitted to the Department of Insurance by the Rate Bureau on February 1, 2006; (2) that the preliminary rate level indications were developed utilizing other than "clean risk" data only with an effective date of October 1, 2006; and (3) that the data utilized to prepare the indications included experience through calendar year 2004. Mr. Armstrong stated that the North Carolina Rate Bureau's Automobile Committee had agreed to recommend to the Board of Governors that a filing be submitted for revised rates for other than "clean risks" private passenger automobile insurance business ceded to the Reinsurance Facility, to become effective October 1, 2006, reflecting an overall rate level change of 3.0%, including 13.9% for bodily injury liability, -11.0% for property damage liability, 18.0% for medical payments coverage and -3.9% for motorcycle liability coverage, which indications are subject to change as the filing is finalized. Mr. Armstrong also advised the Board of Governors that the Automobile Committee recommended that the Reinsurance Facility adopt the Rate Bureau's ultimately approved UM/UIM rates with an effective date consistent with the effective date for UM/UIM rates ultimately approved in the Rate Bureau's filing.

Following discussion, a motion to adopt the recommendation of the Automobile Committee was seconded and passed unanimously.

3. Reimbursement of Member Company Expenses

Attention was directed to a copy of language included in the Personal Auto Policy (PAP) that will be implemented with policies written on or after May 1, 2006.

Mr. Lucas stated (1) that included in the revisions of the PAP is a provision that provides that if the Insured makes a material misrepresentation on the application and the insurer is required to pay a third party liability claim, then the insurer has the right to recover any amounts paid from the insured; and (2) that as a result of the implementation of this

language a question has come up regarding the possibility of the Facility reimbursing companies for their legal expenses incurred while pursuing recovery on a ceded policy.

Lengthy discussion followed regarding the possible reimbursement methodologies available and whether reimbursement of such legal expenses was appropriate. The matter was referred to the Task Force on Expense Allowances for further review and preparation of a recommendation to be presented at the next Board meeting.

4. NCRF Standard Practice Manual Revisions

Form NCRF-30

Ms Davis presented changes to Form NCRF-30 that were still under development at the time of the meeting. The proposed changes included the removal of language excerpted from the Federal Motor Carrier Act and other simplifications to the form and corresponding changes to Section 3 (0) (2) of the Standard Practice Manual.

It was agreed that a final draft would be completed and submitted to the Board of Governors for a mail vote.

Editorial Correction

Reference was made to an editorial correction to Section 5, (I) (3) of the Standard Practice Manual that was distributed with the agenda.

A motion was made, seconded, and unanimously passed to approve the Section 5 Standard Practice Manual change.

UM/UIM, MEDPAY Limits

Mr. Strickland presented and explained a recommendation from Staff that the Board of Governors authorize additional ceding privileges on commercial vehicles. He explained that N.C.G.S. §58-37-35(b)(2), as it formerly existed, provided that the Board of Governors, upon a finding of a significant public demand, provide for ceding privileges (1) for underinsured motorist bodily injury coverage up to \$1,000,000/\$1,000,000 and (2) for uninsured motorist bodily injury coverage up to \$1,000,000/\$1,000,000 and uninsured motorist property damage of \$50,000 each accident (with a one hundred dollar deductible). Based on its review of the minutes of the Board of Governor's meetings, staff determined that the Board of Governors had previously provided such limits for private passenger motor vehicles upon its determination that there was a significant public demand for such limits. However, the Board of Governors did not provide for such limits for commercial vehicles ceded to the Facility because it determined that a significant public demand did not exist for such limits. N.C.G.S. §58-37-35(b)(2) was amended such that there is no longer a requirement that there be a finding of a significant public demand before the Board of Governors provides for cession of such limits to the Facility. It was further noted that, for similar reasons, the Board of Governors had also not authorized ceding privileges of up to \$2000 for medical payments coverage on commercial vehicles.

Staff recommended that the Board of Governors authorize ceding privileges for underinsured motorist bodily injury coverage up to \$1,000,000/\$1,000,000, for uninsured motorist bodily injury coverage up to \$1,000,000/\$1,000,000, for uninsured motorist property damage up to \$50,000 each accident (with a one hundred dollar deductible) and ceding privileges up to \$2000 for medical payments coverage on commercial vehicles. The Board of Governors was advised that such changes would require amendment to Sections 3(d)(1) and (2) of the General Rules of the Standard Practice Manual and changes to the Commercial Automobile Manual.

It was agreed that staff would prepare the recommended changes to the Standard Practice Manual and to the Commercial Automobile Manual and submit such recommended changes to the Board of Governors for a mail vote.

5. Audit Report – Fiscal Year Ended September 30, 2005

Mr. Sink presented the report approved in a meeting of the Audit Committee on March 22, 2006 to the Board for their information. Electronic copies had been distributed on March 27, 2006.

He reviewed highlights of the statements and noted that the Facility had received the usual unqualified opinion from the outside audit firm, Ernst and Young. It was noted that the audit committee had requested staff to review the procedures for the selection of an independent audit firm and confirm that the proposed audit fees were at or near market, and report back to the committee at its next meeting in June.

6. Report from the General Manager

Mr. Evans reported on the general state of the Facility and the other organizations with which the Facility shares employees and office space. He emphasized that the staff was committed to reduce expenses for the Facility and for the members of the Facility by limiting, to the extent possible, the number of times companies were required to make adjustments to their computer systems to address Facility issues. Mr. Evans advised that the staff was continuing to look at committee and task force structure within the Facility to make sure the Facility continued to operate efficiently. He further advised that compliance with Facility statutes and rules continues to be a priority with Facility staff.

7. EDGE System Update

Ms. Davis gave an update on the EDGE system development which was both on schedule and budget, and previewed the prototype. She reported that the Facility has created a Technical Advisory Group composed of member company representatives to provide end user input and feedback on the design of EDGE and to date the response and participation had been outstanding.

8. Adjournment

There being no further business, the meeting was adjourned.

Respectfully submitted,

Edith T. Davis

Director, Reinsurance Facility

ETD/lam
BG-06-9

SECTION G
MOTORCYCLE REVIEW

NORTH CAROLINA
RATE LEVEL SUMMARY
MOTORCYCLE INSURANCE

	EARNED PREMIUMS AT PRESENT RATES	INDICATED AND FILED RATE LEVEL CHANGE
Liability	19,916	-4.1%

(000's omitted)

NORTH CAROLINA

MOTORCYCLE INSURANCE
LIABILITY COVERAGE

STATEWIDE RATE REVIEW

All Carriers

Voluntary and Ceded Combined	Year Ended 12/31/2002	Year Ended 12/31/2003	Year Ended 12/31/2004
(1) Earned Premiums at Present Rates (a)	\$13,920,518	\$16,898,140	\$19,915,975
(2) Incurred Losses (See page F-156)	7,684,849	10,614,863	11,368,841
(3) Loss Adjustment Expense Factor (b)	0.183	0.183	0.183
(4) Loss Adjustment Expense [(2) x (3)]	1,406,327	1,942,520	2,080,498
(5) General & Other Acquisition Expenses (see page F-156)	2,323,649	2,178,176	2,631,975
(6) Average Annual Change in Losses (c) (See page G-5)	0.0%	0.1%	0.7%
(7) Average Annual Change in Expense Costs (See page D-6)	3.5%	3.5%	3.5%
(8) Projected Losses (d)	7,684,849	10,657,322	11,607,587
(9) Projected Loss Adjustment Expenses (e)	1,672,123	2,231,955	2,309,353
(10) Projected General & Other Acquisition Expenses (f)	2,737,259	2,478,764	2,892,541
(11) Projected Losses, LAE and G & OA Expenses [(8)+(9)+(10)]	12,094,231	15,368,041	16,809,481
(12) Projected Loss, LAE and G & OA Expense Ratio [(11)/(1)]	0.869	0.909	0.844
(13) Permissible Loss, LAE and G & OA Expense Ratio (See page G-4)	0.906	0.913	0.925
(14) Adjustment for Increase in MVR Fee (g)	0.58%	0.58%	0.58%
(15) Indicated Rate Level Change [((12)/(13))+(14)] - 1.0	-3.5%	0.1%	-8.2%
(16) Final selected rate level change (weighted by premium from Line (1))		-4.1%	

NORTH CAROLINA
MOTORCYCLE REVIEW

STATEWIDE RATE REVIEW

Notes

- (a) Based on the earned premiums contained in NCRB expense call and shown on pages F-156, adjusted to current ceded level.
- (b) Based on the average ratio of loss adjustment expenses to losses over the latest three years. See pages F-156.
- (c) The average annual changes in losses for the Liability coverage is determined by weighting the trends shown on line (12) of pages C-1, C-3 and C-5 on total limits developed losses.

(d) Projected Losses = $[(2) \times (1 + (6))]^n$, where

n = The number of years of projection from the average date of accident to 7/12/2007 (2002=5.03, 2003=4.03, 2004=3.03).

(e) Projected Loss Adjustment Expenses = $[(4) \times (1 + (7))]^n$, where

n = The number of years of projection from the average date of accident to 7/12/2007 (2002=5.03, 2003=4.03, 2004=3.03).

(f) Projected General and Other Acquisition Expenses = $[(5) \times (1 + (7))]^n$, where

n = The number of years of projection to the average date of writing, 4/1/2007 (2002=4.75, 2003=3.75, 2004=2.75).

(g) Estimated effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA
MOTORCYCLE REVIEW

DETERMINATION OF EXPECTED LOSS RATIO AND PROFIT PROVISION

	<u>Liability</u>		
	<u>2002</u>	<u>2003</u>	<u>2004</u>
Commission and Brokerage Expense	0.118	0.114	0.103
Taxes, etc. to Written Premium	0.025	0.022	0.021
Profit	0.000	0.000	0.000
Contingencies	0.000	0.000	0.000
Investment Income	-0.038	-0.038	-0.038
Installment Income	-0.011	-0.011	-0.011
Total	0.094	0.087	0.075
Losses, LAE, General Administration Expenses and Other Acquisition Expenses	0.906	0.913	0.925

NORTH CAROLINA

Motorcycle Insurance

Calculation of Loss Trend Factors

	<u>Cov</u>	PP Auto Liability		<u>Weighted Trend</u>
		<u>Auto Trend(a)</u>	<u>Total Limits Dev. Losses</u>	
2004	BI	1.014	735,297,006	1.007
	PD	1.000	552,697,299	
	MP	0.999	92,785,248	
			1,380,779,553	
2003	BI	1.008	703,855,573	1.001
	PD	0.994	549,878,797	
	MP	0.994	92,334,556	
			1,346,068,926	
2002	BI	1.005	664,227,862	1.000
	PD	0.995	532,230,097	
	MP	0.990	90,176,863	
			1,286,634,822	

(a) See page D-7.

NORTH CAROLINA
MOTORCYCLE INSURANCE

CALCULATION OF RATE RELATIVITIES

Private Passenger
Liability

COVERAGE	TOTAL LIMITS PREMIUM WEIGHT	FILED CHANGE
Bodily Injury	\$142,676	13.7%
Property Damage	121,419	-11.1%
(1) Liability Total	264,095	2.3%

Motorcycles	FILED CHANGE
(2) Liability	-4.1%
(3) Motorcycle Liability factor = [(1.0 + (2)) / (1.0 + (1))]	0.937

Liability Relativities	(4) Present	(5) (3) x (4) Revised
Engine Size (cc)		
0-499	17%	16%
500-1249	28%	26%
1250-1499	38%	36%
1500-up	50%	47%

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

NOTICE TO MANUALHOLDERS

**PERSONAL AUTO MANUAL – NORTH CAROLINA
NOTICE 2006-004**

SPECIAL NOTE

This Notice revises the manual pages distributed in Notice 2006-001, effective May 1, 2006. Notice 2006-002, effective October 1, 2006, was rescinded due to the revision being implemented with this Notice. The changes that were originally distributed under Notice 2006-002 will be revised and redistributed at a later time.

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

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

These changes are applicable to all new and renewal policies effective on or after May 15, 2006. No policy effective prior to May 15, 2006 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 May 15, 2006.

CHANGE(S)

This Notice contains the following revisions due to the Settlement Agreement between the North Carolina Rate Bureau and the Commissioner of Insurance regarding the 2005 private passenger auto insurance rate filing:

- Revised rates for BI Liability, PD Liability, and Medical Payment coverages for Voluntary Business.
- Revised rates for BI Liability coverage for Ceded Business.
- Revised rates for Comprehensive and Collision coverages.
- Revised rates for Rule 14.A. Uninsured Motorists Coverage Only and Rule 14.B. Combined Uninsured/Underinsured Motorists Coverage.
- Revised Increased Limits Factors included in Rule 18.B.
- Revised Motorcycle Liability Relativities included in Rule 19.B.

REVISED PAGE(S)

NC-GR-23, NC-GR-24, NC-GR-30, NC-GR-32
PA-R-001 thru PA-R-021

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-06-2 (02/02/2006) NCRB Circular Letter

MANUAL DISTRIBUTION NOTICE

We want to know:

- If this mailing was **not** properly addressed.
- If you have **not** received the correct quantity.
- If you wish to **change** the quantity you are now receiving.

Company Personnel:

- Contact your company manual coordinator at your home office.

Producers:

- Contact:

**Customer Service
Insurance Services Office, Inc.
545 Washington Boulevard
Jersey City, New Jersey 07310-1686
800-888-4476
www.iso.com**

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

THIS MANUAL PAGE CHECKLIST DISPLAYS THE LATEST STATE PAGE INFORMATION AS OF 5-06.
NO MULTISTATE APPLIES

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

IF YOUR MANUAL PAGES DO NOT COINCIDE WITH THIS LISTING, CONTACT CUSTOMER SERVICE FOR THE NECESSARY MATERIAL TO UPDATE YOUR MANUAL.

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	NUMBER	DATE		NUMBER	DATE
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	Reprint	7-1-82	NC-GR-22	10th	7-03
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			NC-GR-25	17th	7-03
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			NC-GR-28	11th	5-06
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NC-GR-19	11th	10-89			

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- 2. PERSONAL AUTO POLICY – ELIGIBILITY**
- 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**
- 8. POLICY PERIOD**
- 9. CHANGES**
- 10. CANCELLATION**
- 11. WHOLE DOLLAR PREMIUM**
- 12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE SHEETS**
- 13. SUSPENSION**
- 14. MISCELLANEOUS COVERAGES**
- 15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS**
- 16. NAMED NON-OWNER POLICY**
- 17. EXTENDED NON-OWNED LIABILITY COVERAGE**
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- 19. MISCELLANEOUS TYPES**
- 20. FINANCED AUTOS**
- 21. STATE RATE, TERRITORY SHEETS**
- 22. INSTALLMENT PAYMENTS**
- 23. EXCESS INDEMNITY POLICY**

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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
- Not used as a public or livery conveyance for passengers.
 - Not rented to others.
2. A motor vehicle that is a pickup truck or van shall be considered a private passenger auto, if it:
- Is owned by an individual or by a husband and wife or individuals who are residents of the same household,
 - Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - Is not used for the delivery or transportation of goods or materials unless such use is:
 - Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - 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:
- It meets the conditions in a., b. and c. above; and
 - 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:
- It is principally garaged on a farm or ranch, and
 - 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:
- They are written on a specified auto basis, and
 - 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:
- They are written on a specified auto basis, and
 - 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:
- They are written on a specified vehicle basis, and
 - 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, copartnerships, 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.

4. CLASSIFICATIONS (Cont'd)

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. It shall be presumed that each owner or resident operator has no experience as a licensed driver unless:
 - a. The number of years driving experience can be determined from a valid motor vehicle record obtained in accordance with Rule 5.B.1.a.; or
 - b. The owner or resident operator provides verifiable documentation of the years of driving experience from a governmental agency responsible for maintaining driver license records and/or motor vehicle records or a previous automobile insurance company.

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.

Exception

For any operator licensed prior to May 15, 1987 the Inexperienced Operator Surcharge shall not apply.

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.

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:

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

- (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) 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.

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

- (6) One point shall be assigned for a violation resulting in a conviction for speeding 10 miles per hour, or less, in excess of the posted speed limit of less than 55 miles per hour.

Waiver

This point shall **NOT** apply unless the same driver has also been convicted of at least one other moving traffic violation during the experience period.

Exceptions

This **WAIVER** does **NOT** apply to convictions of speeding in a school zone in excess of posted school zone speed.

- (7) With respect to any other conviction for a moving traffic violation, one point shall be assigned for each such conviction.

Exception

Convictions for the following shall not be regarded as moving traffic violations:

- (a) Inadequate muffler or excess escape of exhaust products;
- (b) Improper lights or other equipment except brakes;
- (c) Failure to sign or display registration card;
- (d) Failure to display license plates;
- (e) Failure to have in possession driver's license provided there is a valid one in existence; or
- (f) Failure to display current inspection certificate.

b. Accidents

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.
- (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.

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

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	1.25	1.30	.85

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 +3.25	Factor +3.25	Factor +0.55
	Less than Two Years	Factor +1.60	Factor +1.75	Factor +0.55
	Less than Three Years	Factor +1.25	Factor +1.50	Factor +0.55
	Occasional Operator Licensed For:			
	Less than One Year	Factor +2.00	Factor +2.25	Factor +0.20
	Less than Two Years	Factor +1.05	Factor +1.10	Factor +0.20
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	Factor +2.90	Factor +2.95	Factor +0.45
	Less than Two Years	Factor +1.25	Factor +1.45	Factor +0.45
	Less than Three Years	Factor +0.90	Factor +1.20	Factor +0.45
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.65	Factor +1.95	Factor +0.10
	Less than Two Years	Factor +0.70	Factor +0.80	Factor +0.10
Less than Three Years	Factor +0.50	Factor +0.60	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.

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

PRO RATA TABLE

January			February			March			April			May			June		
Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio	Day of	Day of	Ratio
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	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	Day		Day	Day		Day	Day		Day	Day		Day	Day		Day	Day	
of	of		of	of		of	of		of	of		of	of		of	of	
Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	Year	Ratio	Month	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

PERSONAL AUTO MANUAL
NORTH CAROLINA

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		

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

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	04	0.72
19	19	4.46
20	20	4.84
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	04	0.28
2	02	0.34
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.81
15	15	3.56
16	16	4.31
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
24	24	12.13

v. 1982 and Prior Model Years

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	04	0.88
19	19	2.43
20	20	2.61
21	21	2.61
22	22	2.75
23	23	2.96
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.

Deleted: *

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 Model Years
1	04	0.42
2	02	0.50
3	03	0.63
4	04	0.74
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
24	24	3.50

v. 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	\$ 20	\$ 47
100/200	34	80
100/300	41	97
300/300	55	130
250/500	65	154
500/500	88	208
500/1,000	99	234
1,000/1,000	111	262

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 75% 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	\$ 60
3,000	120
4,000	180
5,000	240
6,000	300
7,000	360
8,000	420
9,000	480
10,000	540

For limits in excess of \$10,000, charge \$60 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.

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.

15. CERTIFIED RISKS – FINANCIAL RESPONSIBILITY LAWS (Cont'd)

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.

- 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

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.

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

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 the following provisions apply:

- Such vehicles with engine size of 324 cubic centimeters or less shall be rated at 18% of the applicable voluntary private passenger rate. (Class Code – Motorcycles 951000; Others 960000)
- Such vehicles with engine size of 325 cubic centimeters or more shall be rated at 32% of the applicable voluntary private passenger rate. (Class Code – Motorcycles 952000; Others 961000)

19. MISCELLANEOUS TYPES (Cont'd)

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility the following provisions apply:

3. Such vehicles with engine size of 324 cubic centimeters or less shall be rated at 18% of the applicable ceded private passenger rate. (Class Code – Motorcycles 951000; Others 960000)
4. Such vehicles with engine size of 325 cubic centimeters or more shall be rated at 32% of the applicable ceded private passenger rate. (Class Code – Motorcycles 952000; Others 961000)

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)
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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.

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.

19. MISCELLANEOUS TYPES (Cont'd)

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.

21. STATE RATE, TERRITORY SHEETS (Cont'd)

- 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	\$124	\$143	\$167	\$191	\$158	\$160	\$163	\$13	\$17	\$21	\$30	\$44
13	190	219	257	293	194	196	200	20	27	32	47	68
14	179	206	242	276	191	193	197	18	24	29	42	61
15	199	229	269	306	189	191	195	20	27	32	47	68
16	164	189	221	253	190	192	196	17	23	27	40	57
17	204	235	275	314	186	188	192	21	28	34	49	71
18	153	176	207	236	169	171	174	16	21	26	37	54
24	146	168	197	225	149	150	153	15	20	24	35	51
25	177	204	239	273	174	176	179	18	24	29	42	61
26	233	268	315	359	161	163	166	24	32	38	56	81
31	183	210	247	282	170	172	175	19	25	30	44	64
32	148	170	200	228	157	159	162	15	20	24	35	51
33	184	212	248	283	141	142	145	19	25	30	44	64
40	226	260	305	348	191	193	197	23	31	37	54	78
41	193	222	261	297	180	182	185	20	27	32	47	68
43	169	194	228	260	146	147	150	17	23	27	40	57
47	180	207	243	277	149	150	153	18	24	29	42	61
51	149	171	201	229	178	180	183	15	20	24	35	51
52	196	225	265	302	201	203	207	20	27	32	47	68

* 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	\$167	\$192	\$225	\$262	\$208	\$210	\$214	\$17	\$23	\$27	\$40	\$ 57
13	259	298	350	407	255	258	263	26	35	42	61	88
14	244	281	329	383	252	255	260	24	32	38	56	81
15	273	314	369	429	253	256	261	27	36	43	63	91
16	227	261	306	356	254	257	262	23	31	37	54	78
17	279	321	377	438	249	251	256	28	37	45	66	95
18	217	250	293	341	231	233	238	22	29	35	51	74
24	196	225	265	308	194	196	200	20	27	32	47	68
25	249	286	336	391	243	245	250	25	33	40	59	85
26	347	399	468	545	216	218	222	35	47	56	82	118
31	248	285	335	389	224	226	231	25	33	40	59	85
32	198	228	267	311	203	205	209	20	27	32	47	68
33	248	285	335	389	184	186	190	25	33	40	59	85
40	312	359	421	490	249	251	256	31	41	50	73	105
41	263	302	355	413	246	248	253	26	35	42	61	88
43	226	260	305	355	193	195	199	22	29	35	51	74
47	246	283	332	386	197	199	203	24	32	38	56	81
51	203	233	274	319	239	241	246	20	27	32	47	68
52	271	312	366	425	270	273	278	27	36	43	63	91

* Excluding "clean risks" as defined under the Premium Determination Rule.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 11**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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.

PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 13

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	46	44	41	40	37	35	33	31	28	26	24	1	9
2	64	61	58	55	52	49	46	42	39	36	33	2	10
3	73	69	65	62	59	55	52	48	44	41	37	3	15
4	80	76	73	69	65	61	57	52	49	45	41	4	18
5	90	86	82	77	73	69	65	59	55	51	46	5	21
6	102	97	92	87	82	77	73	67	62	57	52	6	27
7	112	106	101	96	90	85	80	73	68	63	57	7	33
8	121	115	110	104	98	92	87	79	74	68	62	8	39
10	131	124	118	112	106	99	93	86	80	73	67	10	49
11	142	135	128	121	115	108	101	93	86	79	73	11	60
12	154	147	140	132	125	118	110	101	94	87	79	12	70
13	166	158	150	142	134	126	118	109	101	93	85	13	82
14	179	171	162	154	145	137	128	118	109	101	92	14	97
15	197	188	179	169	160	150	141	130	120	111	101	15	117
16	217	207	196	186	176	165	155	143	132	122	112	16	142
17	240	228	217	206	194	182	171	157	146	135	123	17	171
18	262	249	237	224	212	199	187	172	160	147	135	18	204
19	285	272	259	245	231	218	204	188	174	160	147	19	243
20	317	301	286	271	256	241	226	208	193	178	163	20	289
21	351	335	318	301	285	268	251	231	214	198	181	21	400
22	397	378	359	340	321	302	283	260	242	223	204		
23	444	423	401	381	359	338	317	292	271	249	228		
24	514	490	465	441	417	392	367	338	314	289	265		
25	633	603	573	542	512	482	452	416	386	356	326		
26	777	740	703	666	629	592	555	511	473	437	400		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	203	194	186	175	166	155	139	128	117	106	95	1	46
2	232	221	210	199	188	175	159	146	133	119	108	2	55
3	270	256	243	230	219	203	186	170	155	139	126	3	69
4	292	278	265	250	236	221	201	183	168	150	137	4	77
5	312	296	281	267	252	234	212	194	177	159	146	5	91
6	327	312	296	281	265	245	225	206	188	168	152	6	99
7	340	325	309	292	276	256	234	214	194	175	159	7	108
8	356	338	320	305	287	267	243	223	203	183	166	8	130
10	378	360	343	325	307	285	259	239	217	194	177	10	150
11	398	378	358	340	320	298	272	250	228	203	186	11	164
12	409	389	369	349	332	307	281	256	234	210	190	12	181
13	424	404	385	365	345	320	292	267	243	219	199	13	194
14	453	431	409	389	367	340	309	285	259	232	212	14	217
15	475	453	431	409	385	358	327	298	272	245	221	15	234
16	495	471	446	424	400	371	338	312	283	254	230	16	259
17	513	488	464	440	415	387	351	323	294	263	239	17	274
18	541	515	488	464	438	407	371	340	309	278	252	18	298
19	564	537	511	484	457	424	387	354	323	290	263	19	316
20	583	555	526	499	471	438	400	367	334	301	272	20	334
21	606	577	548	519	491	455	415	380	347	312	283	21	380
22	639	608	577	548	517	480	438	402	365	329	298		
23	663	632	601	568	537	499	455	418	380	340	309		
24	694	661	628	594	561	522	475	435	396	356	325		
25	749	714	678	643	608	564	515	471	429	385	349		
26	813	774	736	696	659	612	557	511	464	418	380		

(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.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 14**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	Symbol (b)	1989 & prior
1	201	192	183	172	164	153	137	126	116	105	94	1	46
2	229	218	207	196	185	172	157	144	131	118	107	2	55
3	266	253	240	227	216	201	183	168	153	137	124	3	68
4	288	275	262	246	233	218	198	181	166	148	135	4	76
5	307	292	277	264	249	231	209	192	174	157	144	5	89
6	323	307	292	277	262	242	222	203	185	166	150	6	98
7	336	320	305	288	273	253	231	211	192	172	157	7	107
8	351	334	316	301	283	264	240	220	201	181	164	8	129
10	373	355	338	320	303	281	255	235	214	192	174	10	148
11	392	373	353	336	316	294	268	246	225	201	183	11	161
12	403	384	364	344	327	303	277	253	231	207	187	12	179
13	419	399	379	360	340	316	288	264	240	216	196	13	192
14	447	425	403	384	362	336	305	281	255	229	209	14	214
15	469	447	425	403	379	353	323	294	268	242	218	15	231
16	488	464	440	419	395	366	334	307	279	251	227	16	255
17	506	482	458	434	410	382	347	318	290	259	235	17	270
18	534	508	482	458	432	401	366	336	305	275	249	18	294
19	556	530	504	477	451	419	382	349	318	286	259	19	312
20	576	547	519	493	464	432	395	362	329	296	268	20	329
21	597	569	541	512	484	449	410	375	342	307	279	21	375
22	630	600	569	541	510	473	432	397	360	325	294		
23	654	623	593	560	530	493	449	412	375	336	305		
24	685	652	619	586	554	514	469	429	390	351	320		
25	739	704	669	634	600	556	508	464	423	379	344		
26	802	763	726	687	650	604	549	504	458	412	375		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	38	36	34	33	31	29	27	25	23	21	20	1	8
2	53	50	48	45	43	40	38	35	32	30	27	2	9
3	60	57	54	51	48	45	43	39	36	34	31	3	12
4	66	63	60	57	53	50	47	43	40	37	34	4	15
5	74	71	67	64	60	57	53	49	45	42	38	5	17
6	84	80	76	72	68	64	60	55	51	47	43	6	22
7	92	87	83	79	74	70	66	60	56	52	47	7	27
8	99	95	90	85	81	76	71	65	61	56	51	8	32
10	107	102	97	92	87	82	77	71	66	60	55	10	41
11	116	111	105	100	94	89	83	76	71	65	60	11	49
12	127	121	115	109	103	97	91	83	77	71	65	12	58
13	136	130	123	117	110	104	97	90	83	77	70	13	68
14	147	140	133	126	119	112	105	97	90	83	76	14	80
15	162	154	147	139	131	123	116	107	99	91	83	15	96
16	178	170	161	153	144	136	127	117	109	100	92	16	117
17	197	187	178	169	159	150	141	129	120	111	101	17	140
18	215	205	195	184	174	164	154	141	131	121	111	18	167
19	234	223	212	201	190	179	168	154	143	132	121	19	200
20	260	247	235	223	210	198	186	171	158	146	134	20	237
21	288	275	261	247	234	220	206	190	176	162	148	21	328
22	325	310	294	279	263	248	232	214	198	183	167		
23	364	347	329	312	295	277	260	239	222	205	187		
24	422	402	382	362	342	321	301	277	257	237	217		
25	519	494	470	445	420	395	371	341	316	292	267		
26	637	607	576	546	516	485	455	419	388	358	328		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	197	188	180	169	161	150	135	124	113	103	92	1	45
2	225	214	203	193	182	169	154	141	128	116	105	2	54
3	261	248	235	223	212	197	180	165	150	135	122	3	66
4	282	270	257	242	229	214	195	178	163	146	133	4	75
5	302	287	272	259	244	227	205	188	171	154	141	5	88
6	317	302	287	272	257	238	218	199	182	163	148	6	96
7	330	315	300	282	268	248	227	208	188	169	154	7	105
8	345	327	310	295	278	259	235	216	197	178	161	8	126
10	366	349	332	315	297	276	250	231	210	188	171	10	146
11	385	366	347	330	310	289	263	242	220	197	180	11	158
12	396	377	357	338	321	297	272	248	227	203	184	12	175
13	411	392	372	353	334	310	282	259	235	212	193	13	188
14	439	417	396	377	355	330	300	276	250	225	205	14	210
15	460	439	417	396	372	347	317	289	263	238	214	15	227
16	479	456	432	411	387	360	327	302	274	246	223	16	250
17	496	473	449	426	402	375	340	312	285	255	231	17	265
18	524	499	473	449	424	394	360	330	300	270	244	18	289
19	546	520	494	469	443	411	375	342	312	280	255	19	306
20	565	537	509	484	456	424	387	355	323	291	263	20	323
21	586	559	531	503	475	441	402	368	336	302	274	21	368
22	618	589	559	531	501	464	424	389	353	319	289		
23	642	612	582	550	520	484	441	404	368	330	300		
24	672	640	608	576	544	505	460	422	383	345	315		
25	725	691	657	623	589	546	499	456	415	372	338		
26	788	749	713	674	638	593	539	494	449	404	368		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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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FULL COVERAGE COMPREHENSIVE (001)												Symbol	1989
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	(b)	& 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	1989
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	(b)	& prior
1	182	174	166	156	149	139	125	115	105	95	85	1	42
2	208	198	188	178	168	156	143	131	119	107	97	2	50
3	242	230	218	206	196	182	166	152	139	125	113	3	61
4	261	249	238	224	212	198	180	164	150	135	123	4	69
5	279	265	251	240	226	210	190	174	158	143	131	5	81
6	293	279	265	251	238	220	202	184	168	150	137	6	89
7	305	291	277	261	248	230	210	192	174	156	143	7	97
8	319	303	287	273	257	240	218	200	182	164	149	8	117
10	339	323	307	291	275	255	232	214	194	174	158	10	135
11	356	339	321	305	287	267	244	224	204	182	166	11	147
12	366	348	331	313	297	275	251	230	210	188	170	12	162
13	380	362	345	327	309	287	261	240	218	196	178	13	174
14	406	386	366	348	329	305	277	255	232	208	190	14	194
15	426	406	386	366	345	321	293	267	244	220	198	15	210
16	444	422	400	380	358	333	303	279	253	228	206	16	232
17	459	438	416	394	372	347	315	289	263	236	214	17	246
18	485	461	438	416	392	364	333	305	277	249	226	18	267
19	505	481	457	434	410	380	347	317	289	259	236	19	283
20	523	497	471	447	422	392	358	329	299	269	244	20	299
21	543	517	491	465	440	408	372	341	311	279	253	21	341
22	572	545	517	491	463	430	392	360	327	295	267		
23	594	566	539	509	481	447	408	374	341	305	277		
24	622	592	562	533	503	467	426	390	354	319	291		
25	671	640	608	576	545	505	461	422	384	345	313		
26	729	693	659	624	590	548	499	457	416	374	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.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													Symbol (b)	1989 & prior
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	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 (b)	1989 & prior
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	Symbol (b)	1989 & prior	
1	179	172	164	154	146	137	123	113	103	94	84	1	41	
2	205	195	185	176	166	154	140	129	117	105	96	2	49	
3	238	226	215	203	193	179	164	150	137	123	111	3	60	
4	257	246	234	220	209	195	177	162	148	133	121	4	68	
5	275	261	248	236	222	207	187	172	156	140	129	5	80	
6	289	275	261	248	234	216	199	181	166	148	135	6	88	
7	300	287	273	257	244	226	207	189	172	154	140	7	96	
8	314	298	283	269	254	236	215	197	179	162	146	8	115	
10	333	318	302	287	271	252	228	211	191	172	156	10	133	
11	351	333	316	300	283	263	240	220	201	179	164	11	144	
12	361	343	326	308	293	271	248	226	207	185	168	12	160	
13	374	357	339	322	304	283	257	236	215	193	176	13	172	
14	400	380	361	343	324	300	273	252	228	205	187	14	191	
15	419	400	380	361	339	316	289	263	240	216	195	15	207	
16	437	415	394	374	353	328	298	275	250	224	203	16	228	
17	452	431	410	388	367	341	310	285	259	232	211	17	242	
18	478	454	431	410	386	359	328	300	273	246	222	18	263	
19	497	474	450	427	404	374	341	312	285	255	232	19	279	
20	515	489	464	441	415	386	353	324	294	265	240	20	294	
21	534	509	484	458	433	402	367	335	306	275	250	21	335	
22	564	536	509	484	456	423	386	355	322	291	263			
23	585	558	530	501	474	441	402	369	335	300	273			
24	612	583	554	525	495	460	419	384	349	314	287			
25	661	630	599	567	536	497	454	415	378	339	308			
26	718	683	649	614	581	540	491	450	410	369	335			

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	45	42	40	38	36	34	32	30	27	25	23	1	9
2	62	59	56	53	50	47	44	41	38	35	32	2	10
3	70	67	63	60	57	53	50	46	42	40	36	3	14
4	77	74	70	67	63	59	55	51	47	44	40	4	17
5	87	83	79	75	71	67	63	57	53	49	45	5	20
6	99	94	89	84	80	75	70	65	60	55	51	6	26
7	108	103	97	93	87	82	77	71	65	61	55	7	32
8	117	112	106	100	95	89	84	77	71	66	60	8	38
10	126	120	114	109	102	96	90	83	77	71	65	10	48
11	137	130	124	117	111	104	98	90	83	77	70	11	58
12	149	142	135	128	121	114	107	98	91	84	77	12	68
13	160	153	145	137	130	122	114	106	98	90	83	13	80
14	173	165	157	149	140	132	124	114	106	97	89	14	94
15	191	182	173	163	155	145	136	126	116	107	98	15	113
16	210	200	190	180	170	160	150	138	128	118	108	16	137
17	232	221	209	199	188	176	166	152	141	130	119	17	165
18	253	241	230	217	205	193	181	166	155	142	130	18	197
19	276	263	250	237	224	211	198	182	168	155	142	19	235
20	306	291	277	263	248	233	219	201	186	172	158	20	279
21	340	324	308	291	276	259	243	224	207	191	175	21	386
22	384	365	347	329	310	292	274	252	234	215	197		
23	430	409	388	368	348	327	307	282	262	241	221		
24	497	474	450	427	403	379	355	327	303	280	256		
25	612	583	554	525	496	466	437	402	373	344	315		
26	752	716	680	644	608	572	537	494	458	422	386		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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.

**PERSONAL AUTO MANUAL
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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	Symbol (b)	1989 & prior
1	36	34	32	31	29	27	25	24	22	20	18	1	7
2	49	47	45	42	40	38	35	32	30	28	25	2	8
3	56	53	50	48	45	42	40	37	34	31	29	3	11
4	62	59	56	53	50	47	44	40	38	35	32	4	14
5	70	66	63	60	56	53	50	46	42	39	36	5	16
6	78	75	71	67	63	60	56	52	48	44	40	6	21
7	86	82	78	74	70	65	62	56	52	48	44	7	25
8	93	89	85	80	76	71	67	61	57	53	48	8	30
10	101	96	91	86	81	77	72	66	62	56	52	10	38
11	109	104	99	94	88	83	78	71	66	61	56	11	46
12	119	113	108	102	96	91	85	78	72	67	61	12	54
13	128	122	116	110	103	97	91	84	78	72	66	13	63
14	138	132	125	118	112	105	99	91	84	78	71	14	75
15	152	145	138	130	123	116	109	100	93	86	78	15	90
16	167	159	151	143	135	127	119	110	102	94	86	16	110
17	185	176	167	158	149	141	132	121	112	104	95	17	132
18	202	192	183	173	164	154	144	133	123	113	104	18	157
19	220	210	199	188	178	168	157	145	134	124	113	19	188
20	244	232	220	209	197	186	174	160	149	137	125	20	222
21	271	258	245	232	219	206	194	178	165	152	139	21	308
22	306	291	276	262	247	233	218	201	186	172	157		
23	342	326	309	293	277	260	244	225	209	192	176		
24	396	377	359	340	321	302	283	260	242	223	204		
25	487	464	441	418	395	371	348	321	297	274	251		
26	599	570	541	513	485	456	428	393	365	337	308		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	Symbol (b)	1989 & prior
1	195	187	178	167	159	148	134	123	112	102	91	1	45
2	223	212	201	191	180	167	153	140	127	114	104	2	53
3	259	246	233	220	210	195	178	163	148	134	121	3	66
4	280	267	254	240	227	212	193	176	161	144	131	4	74
5	299	284	269	257	242	225	204	187	170	153	140	5	87
6	314	299	284	269	254	235	216	197	180	161	146	6	95
7	326	312	297	280	265	246	225	206	187	167	153	7	104
8	341	324	307	293	276	257	233	214	195	176	159	8	125
10	363	346	329	312	295	273	248	229	208	187	170	10	144
11	382	363	343	326	307	286	261	240	218	195	178	11	157
12	392	373	354	335	318	295	269	246	225	201	182	12	174
13	407	388	369	350	331	307	280	257	233	210	191	13	187
14	435	413	392	373	352	326	297	273	248	223	204	14	208
15	456	435	413	392	369	343	314	286	261	235	212	15	225
16	475	452	428	407	384	356	324	299	271	244	220	16	248
17	492	469	445	422	399	371	337	310	282	252	229	17	263
18	519	494	469	445	420	390	356	326	297	267	242	18	286
19	541	515	490	464	439	407	371	339	310	278	252	19	303
20	560	532	505	479	452	420	384	352	320	288	261	20	320
21	581	553	526	498	471	437	399	365	333	299	271	21	365
22	613	583	553	526	496	460	420	386	350	316	286		
23	636	606	577	545	515	479	437	401	365	326	297		
24	666	634	602	570	538	500	456	418	379	341	312		
25	719	685	651	617	583	541	494	452	411	369	335		
26	780	742	706	668	632	587	534	490	445	401	365		

(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 (b)	1989 & prior
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior	
1	56	53	50	48	45	43	40	37	34	31	29	1	11	
2	78	74	70	67	63	59	56	51	47	44	40	2	13	
3	88	84	79	75	71	67	63	58	53	50	45	3	18	
4	97	93	88	84	78	74	70	64	59	55	50	4	21	
5	110	104	99	94	89	84	78	72	67	61	56	5	25	
6	124	118	112	106	100	94	88	81	75	70	64	6	33	
7	135	129	122	116	110	103	97	89	82	76	70	7	40	
8	147	140	133	126	119	112	105	96	90	83	75	8	47	
10	158	151	144	136	128	121	113	104	97	89	81	10	60	
11	172	164	155	147	139	131	123	112	104	96	88	11	73	
12	187	178	169	161	152	143	134	123	114	105	96	12	85	
13	201	192	182	172	163	153	144	132	123	113	104	13	100	
14	218	207	197	186	176	166	155	143	132	122	112	14	118	
15	239	228	217	205	194	182	171	158	146	135	123	15	142	
16	263	251	238	226	213	201	188	173	161	148	135	16	172	
17	291	277	263	249	235	221	208	191	177	164	149	17	207	
18	317	303	288	272	258	242	227	209	194	178	164	18	247	
19	346	330	314	297	280	264	248	228	211	195	178	19	295	
20	384	366	347	329	311	292	275	252	234	215	198	20	350	
21	426	406	386	366	346	325	305	280	260	240	219	21	485	
22	481	458	435	412	389	366	343	316	293	270	247			
23	539	513	487	462	436	410	385	354	329	303	277			
24	624	594	565	535	505	475	445	410	380	351	321			
25	767	731	695	658	622	585	548	505	468	431	395			
26	943	898	852	808	763	718	673	619	574	530	485			

(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 (b)	1989 & prior
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior	
1	205	196	187	176	167	156	140	129	118	107	96	1	47	
2	234	223	212	201	190	176	161	147	134	120	109	2	56	
3	272	259	245	232	221	205	187	172	156	140	127	3	69	
4	294	281	268	252	239	223	203	185	169	152	138	4	78	
5	314	299	283	270	254	236	214	196	178	161	147	5	91	
6	330	314	299	283	268	248	227	207	190	169	154	6	100	
7	343	328	312	294	279	259	236	216	196	176	161	7	109	
8	359	341	323	308	290	270	245	225	205	185	167	8	132	
10	381	363	346	328	310	288	261	241	219	196	178	10	152	
11	401	381	361	343	323	301	274	252	230	205	187	11	165	
12	413	392	372	352	335	310	283	259	236	212	192	12	183	
13	428	408	388	368	348	323	294	270	245	221	201	13	196	
14	457	435	413	392	370	343	312	288	261	234	214	14	219	
15	479	457	435	413	388	361	330	301	274	248	223	15	236	
16	500	475	450	428	404	375	341	314	285	256	232	16	261	
17	517	493	468	444	419	390	355	326	297	265	241	17	277	
18	546	520	493	468	442	410	375	343	312	281	254	18	301	
19	569	542	515	488	462	428	390	357	326	292	265	19	319	
20	589	560	531	504	475	442	404	370	337	303	274	20	337	
21	611	582	553	524	495	459	419	384	350	314	285	21	384	
22	644	613	582	553	522	484	442	406	368	332	301			
23	669	638	607	573	542	504	459	421	384	343	312			
24	700	667	633	600	566	526	479	439	399	359	328			
25	756	720	685	649	613	569	520	475	433	388	352			
26	821	781	743	702	665	618	562	515	468	421	384			

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	43	40	38	36	34	32	30	28	26	24	22	1	8
2	59	56	53	50	48	45	42	39	36	33	30	2	10
3	67	63	60	57	54	50	48	44	40	38	34	3	13
4	73	70	67	63	59	56	53	48	45	41	38	4	16
5	83	79	75	71	67	63	59	54	50	46	43	5	19
6	94	89	85	80	76	71	67	62	57	53	48	6	25
7	102	97	92	88	83	78	73	67	62	58	53	7	30
8	111	106	101	95	90	85	80	73	68	63	57	8	36
10	120	114	109	103	97	91	86	79	73	67	62	10	45
11	130	124	118	111	105	99	93	85	79	73	67	11	55
12	142	135	128	122	115	108	101	93	86	80	73	12	64
13	152	145	138	130	123	116	109	100	93	86	78	13	76
14	165	157	149	141	133	125	118	108	100	92	85	14	89
15	181	172	164	155	147	138	129	119	110	102	93	15	108
16	199	190	180	171	161	152	142	131	122	112	102	16	130
17	220	209	199	189	178	167	157	144	134	124	113	17	157
18	240	229	218	206	195	183	172	158	147	135	124	18	187
19	262	250	237	225	212	200	188	172	160	147	135	19	223
20	291	277	263	249	235	221	208	191	177	163	150	20	265
21	323	307	292	277	262	246	231	212	197	181	166	21	367
22	364	347	329	312	295	277	260	239	222	204	187		
23	408	388	368	349	330	310	291	268	249	229	209		
24	472	450	427	405	382	360	337	310	288	265	243		
25	581	553	526	498	470	442	415	382	354	326	299		
26	713	679	645	612	577	543	510	469	435	401	367		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	177	169	161	152	144	134	121	111	102	92	83	1	40
2	202	192	182	173	163	152	138	127	115	104	94	2	48
3	234	223	211	200	190	177	161	148	134	121	109	3	60
4	253	242	230	217	205	192	175	159	146	131	119	4	67
5	271	257	244	232	219	204	184	169	154	138	127	5	79
6	284	271	257	244	230	213	196	179	163	146	132	6	86
7	296	282	269	253	240	223	204	186	169	152	138	7	94
8	309	294	278	265	250	232	211	194	177	159	144	8	113
10	328	313	298	282	267	248	225	207	188	169	154	10	131
11	346	328	311	296	278	259	236	217	198	177	161	11	142
12	355	338	321	303	288	267	244	223	204	182	165	12	157
13	369	351	334	317	300	278	253	232	211	190	173	13	169
14	394	374	355	338	319	296	269	248	225	202	184	14	188
15	413	394	374	355	334	311	284	259	236	213	192	15	204
16	430	409	388	369	348	323	294	271	246	221	200	16	225
17	445	424	403	382	361	336	305	280	255	228	207	17	238
18	470	447	424	403	380	353	323	296	269	242	219	18	259
19	490	467	444	420	397	369	336	307	280	252	228	19	275
20	507	482	457	434	409	380	348	319	290	261	236	20	290
21	526	501	476	451	426	396	361	330	301	271	246	21	330
22	555	528	501	476	449	417	380	349	317	286	259		
23	576	549	522	493	467	434	396	363	330	296	269		
24	603	574	545	516	488	453	413	378	344	309	282		
25	651	620	589	559	528	490	447	409	372	334	303		
26	707	672	639	605	572	532	484	444	403	363	330		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	182	174	166	156	149	139	125	115	105	95	85	1	42
2	208	198	188	178	168	156	143	131	119	107	97	2	50
3	242	230	218	206	196	182	166	152	139	125	113	3	61
4	261	249	238	224	212	198	180	164	150	135	123	4	69
5	279	265	251	240	226	210	190	174	158	143	131	5	81
6	293	279	265	251	238	220	202	184	168	150	137	6	89
7	305	291	277	261	248	230	210	192	174	156	143	7	97
8	319	303	287	273	257	240	218	200	182	164	149	8	117
10	339	323	307	291	275	255	232	214	194	174	158	10	135
11	356	339	321	305	287	267	244	224	204	182	166	11	147
12	366	348	331	313	297	275	251	230	210	188	170	12	162
13	380	362	345	327	309	287	261	240	218	196	178	13	174
14	406	386	366	348	329	305	277	255	232	208	190	14	194
15	426	406	386	366	345	321	293	267	244	220	198	15	210
16	444	422	400	380	358	333	303	279	253	228	206	16	232
17	459	438	416	394	372	347	315	289	263	236	214	17	246
18	485	461	438	416	392	364	333	305	277	249	226	18	267
19	505	481	457	434	410	380	347	317	289	259	236	19	283
20	523	497	471	447	422	392	358	329	299	269	244	20	299
21	543	517	491	465	440	408	372	341	311	279	253	21	341
22	572	545	517	491	463	430	392	360	327	295	267		
23	594	566	539	509	481	447	408	374	341	305	277		
24	622	592	562	533	503	467	426	390	354	319	291		
25	671	640	608	576	545	505	461	422	384	345	313		
26	729	693	659	624	590	548	499	457	416	374	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.

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NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	Symbol (b)	1989 & prior
1	61	58	54	52	49	46	43	40	37	34	31	1	12
2	84	80	76	72	68	64	60	55	51	47	43	2	14
3	95	90	86	82	77	72	68	62	58	54	49	3	19
4	105	100	95	90	85	80	75	69	64	59	54	4	23
5	118	113	107	102	96	90	85	78	72	66	61	5	27
6	134	127	121	114	108	102	95	88	82	75	69	6	35
7	146	139	132	126	118	111	105	96	89	82	75	7	43
8	158	151	144	136	129	121	114	104	97	90	82	8	51
10	171	163	155	147	138	130	122	113	105	96	88	10	65
11	186	177	168	159	150	142	133	122	113	104	95	11	78
12	202	193	183	174	164	154	145	133	123	114	104	12	92
13	218	207	197	186	176	166	155	143	133	122	112	13	108
14	235	224	213	202	190	179	168	154	143	132	121	14	127
15	258	246	234	222	210	197	185	170	158	146	133	15	154
16	285	271	258	244	230	217	203	187	174	160	146	16	186
17	314	299	284	270	254	239	225	206	191	177	162	17	224
18	343	327	311	294	278	262	246	226	210	193	177	18	267
19	374	357	339	321	303	286	268	246	228	210	193	19	319
20	415	395	375	356	336	316	297	273	253	233	214	20	378
21	461	439	418	395	374	351	330	303	281	259	237	21	524
22	520	495	470	446	421	396	371	342	317	292	267		
23	582	554	526	499	471	443	416	382	355	327	299		
24	674	642	610	578	546	514	482	443	411	379	347		
25	830	790	751	711	672	632	593	546	506	466	427		
26	1019	970	922	874	825	776	728	670	621	573	524		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	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.

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FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	44	42	39	38	35	34	31	29	27	24	23	1	9
2	61	58	55	52	49	46	44	40	37	34	31	2	10
3	69	66	62	59	56	52	49	45	42	39	35	3	14
4	76	73	69	66	61	58	55	50	46	43	39	4	17
5	86	82	78	74	70	66	61	56	52	48	44	5	20
6	97	92	88	83	78	74	69	64	59	55	50	6	26
7	106	101	96	91	86	81	76	70	64	60	55	7	31
8	115	110	104	99	93	88	82	75	70	65	59	8	37
10	124	118	113	107	100	95	89	82	76	70	64	10	47
11	135	128	122	115	109	103	96	88	82	75	69	11	57
12	147	140	133	126	119	112	105	96	89	82	75	12	67
13	158	150	143	135	128	120	113	104	96	89	81	13	78
14	171	162	154	146	138	130	122	112	104	96	88	14	92
15	187	179	170	161	152	143	134	124	114	106	96	15	111
16	206	197	187	177	167	157	147	136	126	116	106	16	135
17	228	217	206	195	184	173	163	150	139	128	117	17	162
18	249	237	226	213	202	190	178	164	152	140	128	18	194
19	271	259	246	233	220	207	194	179	165	153	140	19	231
20	301	287	272	258	244	229	215	198	183	169	155	20	274
21	334	318	303	287	271	255	239	220	204	188	172	21	380
22	377	359	341	323	305	287	269	248	230	212	194		
23	422	402	382	362	342	321	302	277	258	237	217		
24	489	466	443	419	396	372	349	321	298	275	252		
25	601	573	545	516	487	458	430	396	367	338	310		
26	739	704	668	633	598	563	528	485	450	415	380		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	222	212	202	190	181	169	152	140	128	116	104	1	51
2	253	241	229	217	205	190	174	159	145	130	118	2	60
3	294	280	265	251	239	222	202	186	169	152	137	3	75
4	318	304	289	272	258	241	219	200	183	164	149	4	84
5	340	323	306	292	275	255	231	212	193	174	159	5	99
6	357	340	323	306	289	268	246	224	205	183	166	6	108
7	371	354	337	318	301	280	255	234	212	190	174	7	118
8	388	369	349	333	313	292	265	243	222	200	181	8	142
10	412	393	374	354	335	311	282	260	236	212	193	10	164
11	434	412	390	371	349	325	296	272	248	222	202	11	178
12	446	424	402	381	362	335	306	280	255	229	207	12	198
13	463	441	419	398	376	349	318	292	265	239	217	13	212
14	494	470	446	424	400	371	337	311	282	253	231	14	236
15	518	494	470	446	419	390	357	325	296	268	241	15	255
16	540	513	487	463	436	405	369	340	308	277	251	16	282
17	559	533	506	480	453	422	383	352	321	287	260	17	299
18	590	562	533	506	477	443	405	371	337	304	275	18	325
19	615	586	557	528	499	463	422	386	352	316	287	19	345
20	636	605	574	545	513	477	436	400	364	328	296	20	364
21	660	629	598	566	535	496	453	415	378	340	308	21	415
22	696	663	629	598	564	523	477	439	398	359	325		
23	723	689	656	619	586	545	496	455	415	371	337		
24	757	721	684	648	612	569	518	475	431	388	354		
25	817	778	740	701	663	615	562	513	468	419	381		
26	887	844	803	759	718	668	607	557	506	455	415		

(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	1989
Symbol	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	(b)	& prior
(a)													
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	1989
Symbol	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	(b)	& prior
(a)													
1	241	231	220	207	197	183	165	152	139	126	113	1	55
2	275	262	249	236	223	207	189	173	157	141	128	2	66
3	320	304	288	272	259	241	220	202	183	165	149	3	81
4	346	330	314	296	280	262	238	217	199	178	162	4	92
5	369	351	333	317	299	278	252	231	210	189	173	5	107
6	388	369	351	333	314	291	267	244	223	199	181	6	118
7	403	385	367	346	328	304	278	254	231	207	189	7	128
8	422	401	380	362	341	317	288	265	241	217	197	8	155
10	448	427	406	385	364	338	307	283	257	231	210	10	178
11	472	448	424	403	380	354	322	296	270	241	220	11	194
12	485	461	438	414	393	364	333	304	278	249	225	12	215
13	503	479	456	432	409	380	346	317	288	259	236	13	231
14	537	511	485	461	435	403	367	338	307	275	252	14	257
15	563	537	511	485	456	424	388	354	322	291	262	15	278
16	587	558	529	503	474	440	401	369	335	301	272	16	307
17	608	579	550	521	493	459	417	383	348	312	283	17	325
18	642	610	579	550	519	482	440	403	367	330	299	18	354
19	668	637	605	574	542	503	459	419	383	343	312	19	375
20	692	658	624	592	558	519	474	435	396	356	322	20	396
21	718	684	650	616	582	540	493	451	411	369	335	21	451
22	757	721	684	650	613	569	519	477	432	390	354		
23	786	749	713	673	637	592	540	495	451	403	367		
24	823	783	744	705	665	618	563	516	469	422	385		
25	888	846	804	762	721	668	610	558	508	456	414		
26	964	917	872	825	781	726	660	605	550	495	451		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990- 1997	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.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	32	30	29	27	26	24	23	21	19	18	16	1	6
2	44	42	40	38	36	34	32	29	27	25	23	2	7
3	50	47	45	43	40	38	36	33	30	28	26	3	10
4	55	53	50	47	45	42	39	36	34	31	29	4	12
5	62	59	56	53	50	47	45	41	38	35	32	5	14
6	70	67	63	60	57	53	50	46	43	39	36	6	18
7	77	73	69	66	62	58	55	50	47	43	39	7	23
8	83	79	76	71	68	63	60	55	51	47	43	8	27
10	90	86	81	77	73	68	64	59	55	50	46	10	34
11	97	93	88	84	79	74	70	64	59	55	50	11	41
12	106	101	96	91	86	81	76	70	65	60	55	12	48
13	114	109	103	98	92	87	81	75	70	64	59	13	57
14	123	118	112	106	100	94	88	81	75	69	63	14	67
15	136	129	123	116	110	103	97	89	83	76	70	15	81
16	150	142	135	128	121	114	107	98	91	84	77	16	98
17	165	157	149	142	134	126	118	108	100	93	85	17	118
18	180	172	163	155	146	137	129	118	110	101	93	18	140
19	197	187	178	168	159	150	141	129	120	110	101	19	168
20	218	207	197	187	176	166	156	143	133	122	112	20	199
21	242	231	219	207	196	184	173	159	147	136	124	21	275
22	273	260	247	234	221	208	195	179	166	153	140		
23	306	291	276	262	247	233	218	201	186	172	157		
24	354	337	320	304	287	270	253	233	216	199	182		
25	436	415	394	373	353	332	311	286	265	245	224		
26	535	509	484	459	433	407	382	352	326	301	275		

(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)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol (b)	1989 & prior
1	178	170	162	152	145	135	122	112	102	93	83	1	41
2	203	193	183	174	164	152	139	127	116	104	95	2	48
3	235	224	212	201	191	178	162	149	135	122	110	3	60
4	255	243	232	218	207	193	176	160	147	131	120	4	68
5	272	259	245	234	220	205	185	170	154	139	127	5	79
6	286	272	259	245	232	214	197	179	164	147	133	6	87
7	297	284	270	255	241	224	205	187	170	152	139	7	95
8	311	295	280	266	251	234	212	195	178	160	145	8	114
10	330	315	299	284	268	249	226	208	189	170	154	10	131
11	347	330	313	297	280	261	237	218	199	178	162	11	143
12	357	340	322	305	290	268	245	224	205	183	166	12	158
13	371	353	336	318	301	280	255	234	212	191	174	13	170
14	396	376	357	340	320	297	270	249	226	203	185	14	189
15	415	396	376	357	336	313	286	261	237	214	193	15	205
16	432	411	390	371	349	324	295	272	247	222	201	16	226
17	448	427	405	384	363	338	307	282	257	230	208	17	239
18	473	450	427	405	382	355	324	297	270	243	220	18	261
19	492	469	446	423	400	371	338	309	282	253	230	19	276
20	510	484	459	436	411	382	349	320	291	262	237	20	291
21	529	504	479	454	428	398	363	332	303	272	247	21	332
22	558	531	504	479	452	419	382	351	318	288	261		
23	579	552	525	496	469	436	398	365	332	297	270		
24	606	577	548	519	490	455	415	380	345	311	284		
25	654	623	593	562	531	492	450	411	374	336	305		
26	710	676	643	608	575	535	486	446	405	365	332		

(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.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 52**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													Symbol	1989
Symbol	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol	& prior	
(a)												(b)		
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	1989
Symbol	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998	1990-1997	Symbol	& prior	
(a)												(b)		
1	199	190	181	171	162	151	136	125	114	104	93	1	45	
2	227	216	205	194	184	171	156	143	130	117	106	2	54	
3	264	251	238	225	214	199	181	166	151	136	123	3	67	
4	285	272	259	244	231	216	197	179	164	147	134	4	76	
5	305	289	274	261	246	229	207	190	173	156	143	5	89	
6	320	305	289	274	259	240	220	201	184	164	149	6	97	
7	333	318	302	285	270	251	229	210	190	171	156	7	106	
8	348	330	313	298	281	261	238	218	199	179	162	8	127	
10	369	352	335	318	300	279	253	233	212	190	173	10	147	
11	389	369	350	333	313	292	266	244	222	199	181	11	160	
12	400	380	361	341	324	300	274	251	229	205	186	12	177	
13	415	395	376	356	337	313	285	261	238	214	194	13	190	
14	443	421	400	380	359	333	302	279	253	227	207	14	212	
15	464	443	421	400	376	350	320	292	266	240	216	15	229	
16	484	460	436	415	391	363	330	305	276	248	225	16	253	
17	501	477	454	430	406	378	343	315	287	257	233	17	268	
18	529	503	477	454	428	397	363	333	302	272	246	18	292	
19	551	525	499	473	447	415	378	346	315	283	257	19	309	
20	570	542	514	488	460	428	391	359	326	294	266	20	326	
21	592	564	536	508	480	445	406	372	339	305	276	21	372	
22	624	594	564	536	505	469	428	393	356	322	292			
23	648	618	588	555	525	488	445	408	372	333	302			
24	678	646	613	581	549	510	464	426	387	348	318			
25	732	698	663	629	594	551	503	460	419	376	341			
26	795	756	719	680	644	598	544	499	454	408	372			

(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	
ALAMANCE COUNTY – See Burlington-Graham and Remainder of State.		
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 places.....	11	
Acton	Buena Vista	
Arden	Busbee	
Asheville	Craggy	
School	Emma	
Biltmore	Enka	
Forest	Haw Creek	
Boswell	Hominy	
Luthers	New Bridge	
Oakley	Oteen	
Shiloh	Skyland	
Woodfin		
BEAUFORT COUNTY territory comprises all territory in Beaufort County.....	33	
BERTIE COUNTY territory comprises all territory in Bertie County.....	33	
BLADEN COUNTY territory comprises all territory in Bladen County.....	33	
BRUNSWICK COUNTY territory comprises all territory in Brunswick County not included in Wilmington territory.....	26	
BUNCOMBE COUNTY territory comprises all territory in Buncombe County not included in Asheville territory.....	32	
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 places.....	32	
Elon College	Kirkpatrick	Richmond
Gibsonville	Heights	Hill
Glen Raven	Lake Latham	
Haw River	Ossipee	
CABARRUS COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.		
CAMDEN COUNTY territory comprises all territory in Camden County.....	33	
CARTERET COUNTY territory comprises all territory in Carteret County.....	33	
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	

	Territory	
CHOWAN COUNTY territory comprises all territory in Chowan County.....	33	
COLUMBUS COUNTY territory comprises all territory in Columbus County.....	26	
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	
Brown-	Franklin	Roberta Mills
Norcott Mills	Glass	Rocky Ridge
China Grove	Harrisburg	Rocky River
Cooks	Jackson Park	South River
Crossing	Landis	Spencer
East Spencer	Majolica	Yadkin
Faggarts	Mount Gilead	Junction
Crossroads	Pharrs Mills	Yost
Faith	Pioneer Mills	
Craven County territory comprises all territory in Craven County.....	43	
CUMBERLAND COUNTY territory comprises all territory in Cumberland County not included in Fayetteville territory.....	26	
CURRITUCK COUNTY territory comprises all territory in Currituck County.....	33	
DARE COUNTY territory comprises all territory in Dare County.....	33	
DAVIDSON COUNTY – see Lexington-Thomasville and Remainder of State.		
DUPLIN COUNTY territory comprises all territory in Duplin County.....	33	
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	
Bethesda	Gorman	North Durham
Bilboa	Hope Valley	Oak Grove
Few	Joyland	Redwood
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	
Lakedale	
Linden	
Manchester	
Milan	
Myrtle Hill	
Owens	
Roslin	
Shaws	
Slocomb	
South	
Fayetteville	
Spring Lake	
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 places 14	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	
Hamtown	
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	Georgetown
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	Hines Junction
HALIFAX COUNTY territory comprises all territory in Halifax County.....33	LEE COUNTY territory comprises all territory in Lee County..... 26
HARNETT COUNTY territory comprises all territory in Harnett County.....26	LENOIR COUNTY territory comprises all territory in Lenoir County not included in Kinston territory..... 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
	Archdale
	Arnold
	Cedar Lodge
	Fraziers
	Glen Anna
	Lake
	Trinity
	Welcome
	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
ONSLow 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 places 16	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	El Paso
Carolina McCullers Westover	WILSON territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson 31
Pines Method Wilders	WILSON COUNTY territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories 33
Cary Milburnie Grove	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
RANDOLPH COUNTY – see Lexington-Thomasville and Remainder of State.	Alspaugh Frontis Reynolda
ROBESON COUNTY territory comprises all territory in Robeson County26	Atwood Hanes Tiretown
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	Daisy Ogburntown Walkertown
Armstrong Dortches Winsteads	Fisherville Oldtown
Brake Chapel	REMAINDER OF STATE 24

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	Barnardsville, 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
Alsbaugh, 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		
Graham, Alamance.....	32	Hillsboro, Orange.....	24	L	
Granite Falls, Caldwell.....	24	Hill Top, Guilford.....	14	La Grange, Lenoir.....	33
Granite Quarry, Rowan.....	24	Hines Junction, Lenoir.....	31	Lake, Davidson.....	32
Greenleaf, Wayne.....	47	Holly Ridge, Onslow.....	41	Lakedale, Cumberland.....	40
Greensboro, Guilford.....	14	Holly Springs, Wake.....	31	Lake Latham Alamance.....	32
Greenville, Pitt.....	31	Homestead, Mecklenburg.....	52	Landis, Rowan.....	32
Griffith, Mecklenburg.....	52	Hominy, Buncombe.....	11	Lanvale, Brunswick.....	17
Grifton, Pitt.....	33	Hope Mills, Cumberland.....	40	Laurinburg, Scotland.....	26
Grimesland, Pitt.....	33	Hope Valley, Durham.....	13	Leaksville, Rockingham.....	24
Grovemont, Buncombe.....	32	House, Pitt.....	31	Leicester, Buncombe.....	32
Groves, Gaston.....	25	Huntersville, Mecklenburg.....	51	Leland, Brunswick.....	17
Guilford, Guilford.....	32	Hutchinson, Mecklenburg.....	52	Lenoir, Caldwell.....	24
Guilford College, Guilford.....	32			Lewisville, Forsyth.....	32
		J		Lexington, Davidson.....	32
		Jackson, Northampton.....	33	Liberty, Randolph.....	24
		Jackson Park, Cabarrus.....	32	Lillington, Harnett.....	26
		Jacksons Creek, Randolph.....	24	Lincolnton, Lincoln.....	24
		Jacksonville, Onslow.....	41	Linden, Cumberland.....	40
		James Mill, Pitt.....	31	Littleton, Halifax & Warren.....	33
		Jamestown, Guilford.....	32	Longhurst, Person.....	24
		Jefferson, Ashe.....	24	Longview, Catawba.....	24
		Jonesville, Yadkin.....	24	Longwood Park, Richmond.....	24
		Joyland, Durham.....	13	Louisburg, Franklin.....	33
		Juno, Buncombe.....	32	Lowell, Gaston.....	25
		Jupiter, Buncombe.....	32	Lucama, Wilson.....	33
				Lucia, Gaston.....	25
		K		Lumberton, Robeson.....	26
		Kannapolis, Cabarrus & Rowan.....	32	Luthers, Buncombe.....	11
		Kenly, Johnston.....	26		
		Kernersville, Forsyth.....	32		

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
Macclesfield, 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
Rougemont, 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
Shalotte, 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

NON-CLEAN RISK CEDED LIABILITY

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2003	13,830	32,862	6,309
12/31/2004	14,114	32,132	6,535
Average	13,972	32,497	6,422

Claims are developed.

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE
CALCULATION OF GENERAL AND OTHER ACQUISITION EXPENSES

"NON-CLEAN RISK" CEDED BUSINESS ONLY

	(1) Earned Premiums at Facility Rates	(2) Current Level To Actual Level Factor	(3) Expense Factor	(4) General and Other Acquisition Expenses
Year ending 12/31/04				
BI	131,862,912	1.0028	14.2%	18,776,962
PD	120,935,606	0.9329	14.2%	16,020,557
MP	10,095,028	1.0353	14.2%	1,484,096
Year ending 12/31/03				
BI	125,404,845	1.0243	13.4%	17,212,592
PD	115,016,081	1.0195	13.4%	15,712,692
MP	9,603,104	1.0643	13.4%	1,369,558
Year ending 12/31/02				
BI	121,024,066	0.9661	13.2%	15,433,618
PD	110,709,756	0.9589	13.2%	14,013,065
MP	9,482,456	0.9895	13.2%	1,238,542

Notes:

- (1) Non-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-155. 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.
1995	16,428	1,761,893	803,003	2,564,896	0.6%
1996	23,552	1,823,594	920,020	2,743,614	0.9%
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%
Latest 5 years:	195,033	9,933,596	8,276,142	18,209,738	1.1%

(in thousands)

Installment fees increased from \$2 to \$3 effective 1/1/95.

PRE-FILED TESTIMONY
OF
RAYMOND F. EVANS, JR., CPCU

NONFLEET PRIVATE PASSENGER MOTOR VEHICLE RATE FILING
BY THE NORTH CAROLINA REINSURANCE FACILITY

June 2006

- 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 makes 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 predecessor organization to 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 2006 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 ceded business.
- 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 effective on or after October 1, 2006.

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**

**2006 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 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 chair of the CAS Program Planning Committee and a member of the Professional Education Policy Committee. I have served on the CAS Committee on Principles, on the CAS Examination Committee, on 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 member of the Casualty Committee of the Actuarial Standards Board, and I am 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 2006 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 2006 private passenger automobile rate filing for 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 Property Casualty Insurers Association of America ("PCI" and formerly the National Association of Independent Insurers or "NAII") 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 risks insured by the Facility and subject to the Facility rates—i.e. the other than clean ceded risks. 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, 2002, December 31, 2003, and December 31, 2004. 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, 2004 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 and expense experience for the year ended December 31, 2004. 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, 2004 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2004. If an accident occurred December 29, 2003 and resulted in either a loss being paid or a reserve being established after January 1, 2004, that loss would be a part of the accident year losses for the period ended December 31, 2003. 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 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. Ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

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 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, 2003 and December 31, 2004. 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, 2004.
- 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 2002, 2003 and 2004 data. In addition, the usage percentage subsequent to the experience period is similar to the usage in the experience period.
- 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, 2004. 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, 2004. When they are reported to us they are evaluated as of March 31, 2005. As of March 31, 2005, 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, 2004. 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, 2000 is \$467,248,204. 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, 2000. The

evaluation was made as of March 31, 2001 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2002), the losses caused by accidents which occurred during the year ended December 31, 2000 had grown to \$494,966,053. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$467 million to \$495 million represents a growth in losses, or a positive development, of 5.9% (1.059) 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 three year period of accident year 2000 to 2002 and over the latest five years. The average development for the three years was 1.053 or 5.3%, and the average development for the latest five years was 1.054 or 5.4%. 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, 2000 had grown to \$505,863,721. This represents a change of 2.2% 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 1.024 or 2.4%.
- 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, 2004 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>
15 to 27	1.053
27 to 39	1.024
39 to 51	1.013
51 to 63	1.004

If you multiply all of these factors, 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 1.096 or 9.6% total development. Since losses have historically increased or developed by 9.6% 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, 2004 will do likewise. Accordingly the developed losses shown in the filing for the accident year ended December 31, 2004 include a 9.6% 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 \$10,453,628 represents.

A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2004. 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 0.113 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 \$18,776,962 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, 2004. 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 5.9% for general expenses and 8.3% for other acquisition expenses, for a total of 14.2% 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, 2004, 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, 2006 for new and renewal business.
- Q. Would you please explain line 7?
- A. The figure 380,656 in line 7 displays the earned exposures of other than clean risks ceded to the Facility for the Bodily Injury coverage for the year 2004. An earned exposure represents one car insured for one year. Thus, the 380,656 represents the number of cars that were provided with coverage during the year 2004. 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, 2006 through September 30, 2007. 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 2006 and 2007 policies will be the same as the losses which are shown on line 3 for the accident year ended December 31, 2004. The purpose of line 11 is to trend the losses which are shown on line 3 to the anticipated level for 2006 and 2007 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 1.014 or 1.4% 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 1.014 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-127 through F-135.

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-119 through F-126.

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 2005.

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)	1.9%	-0.5	1.4%
Bodily Injury (T/L)	3.0%	-	-
Property Damage	0.0%	0.0%	0.0%
Medical Payments	3.5%	-3.5%	-0.1%

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 1.9% based on the fairly narrow range of the fitted annual rates of change. The 15 point, 12 point, 9 point and 6 point fits annual rate of change are within the range of 1.1% to 3.0%. The selection of 1.9% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends. The total limits trend factor selected was 3.0%. This is based upon the total limits cost trend data, showing fitted changes from 2.7% to 3.3% for each of the fitted changes.

For Bodily Injury claim frequency, the Rate Bureau selected -0.5%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a fairly narrow range for the 15 point, 12 point and 9 point fits. The selection of -0.5% is consistent with this period of stability.

For the Property Damage coverage, the Rate Bureau selected a cost trend of 0.0% and for claim frequency an annual rate of change of 0.0%. The selection of the 0.0% for cost and frequency reflects the relatively narrow range of the resulting pure premium changes when the 15 point, 12 point and 9 point fits are examined for cost and frequency in combination.

For the Medical Payments coverage, the Rate Bureau selected a cost trend of +3.5%. This selection is reasonable based on the fact that the rates of change for this coverage have been around this value for all of the fitted changes. In addition, government forecasts are that the rate of change for medical care will continue to increase at current levels.

For Medical Payments frequency, the Rate Bureau selected a frequency trend of -3.5%. The annual rates of change for each of the fits displayed have been negative. The selection of this change is based on consideration of the longer term fits.

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 3.5% 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 3.5% 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 3.5% is quite 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 \$96,487,914 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, 2004. 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, 2004. 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, 2006. This means that policies will be written, assuming annual revisions, anywhere on average from October 1, 2006 through September 30, 2007. A policy written on the last day of that interval, September 30, 2007, assuming it is an annual policy, will expire on September 30, 2008. The period for which accidents will occur under these policies will be anywhere from October 1, 2006 through September 30, 2008. 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, 2007. If we were only talking about annual policies we would trend from the average date of accident underlying our base experience period, July 1, 2004, to October 1, 2007 - 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, 2007 would expire on March 31, 2008. The period for which accidents will occur on these policies will be from October 1, 2006 through March 31, 2008. 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, 2007.

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, 2007. Therefore, in order to adjust the base losses from July 1, 2004 level to July 12, 2007 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, 2007, 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 2.3% of the premium dollar, and there is a 0% margin for contingencies. These items add up to 12.3%. 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, 12.3 cents will have to go to pay for these expenses and you are left with only 87.7 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 2005 North Carolina expense call for 2004 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. (The factor of 1.0058 was the amount that the Rate Bureau and the Department agreed to in the 2005 rate hearing as representing the

effect on rates of the increase in MVR costs.) 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, from each insured 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 3.8% of premium, as shown on page F-172 of the filing. That 3.8% 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 3.8% 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 to 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 1.465 distributional adjustment factor for bodily injury liability indicates that, because of the application of these various rating factors, the average risk will pay 146.50% 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 7.2% for bodily injury represents the additional amount of premium needed because of the inadequacy of the 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. Because the Rate Bureau's filing for changes to the increased limits factors was settled for no change as part of the settlement of the February 1, 2006 filing and the need for company premium rating systems to use identical increased limits factors on voluntary and ceded business, the Reinsurance Facility has chosen not to propose changes to the increased limits factors. Typically, when the total limits indication is not 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 significantly inadequate.

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 12/31/04.

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 +13.7% for bodily injury, -11.1% for property damage and +17.6% 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 a 2.3% increase in ceded automobile liability insurance rates for the bodily injury and property damage coverages?

A. If the motorcycle rate relativities are not adjusted, a 2.3% 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 4.1% decrease 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 -4.1% 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 3.5% per year. This is the same prospective expense trend figure used for automobile coverages. The 3.5% 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 12/31/04, for example, \$16,809,481 shown in line 11 is divided by the \$19,915,975 in line 1. The result is .844. What this means is that, if rates are not changed, 84.4 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 their 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:

	2002	2003	2004
Commission and Brokerage	11.8%	11.4%	10.3%
Taxes, licenses, etc.	2.5%	2.2%	2.1%
Profit	0.0%	0.0%	0.0%

Contingencies	0.0%	0.0%	0.0%
Investment Income	-3.8%	-3.8%	-3.8%
Installment Income	-1.1%	-1.1%	-1.1%
	9.4%	8.7%	7.5%

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 9.4%, 8.7% and 7.5% 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 2004 were 7.5%. 1.000 minus 0.075 is equal to 0.925. What this means is that if 7.5 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have 92.5 cents available to pay losses, loss adjustment expenses, general expenses and other acquisition expenses.

Since line 12 tells us that, based on the 2004 data, we will need 84.4 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 92.5 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 -3.5%, +0.1% and -8.2% for the years 2002, 2003 and 2004 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 -3.5%, +0.1% and -8.2% by premiums in line 1. The resulting average is -4.1%.
- Q. You indicated that the Reinsurance Facility's automobile rate filing was for an average increase of 2.3% 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 2.3% and the motorcycle liability insurance rates go down 4.1%, the current motorcycle liability relativities should be multiplied by .959/1.023 or .937. Thus, the present liability relativity for motorcycles having engines up to 499 cubic centimeters should be decreased to approximately .159. The same adjustment factor is applied to each engine size group. The calculations are shown on page G-6. The relativity changes proposed 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:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times .959}{\text{Manual Rate Change in Ceded Auto BI/PD Rates}}$$

Q. Mr. Woods, please turn to pages F-172 through F-174 of Exhibit RF-1. What do those pages represent?

A. Pages F-172 through F-174 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-173 through F-174. Each line is explained, and the appropriate data source is cited.

Q. Would you explain the calculation.

A. Section A on page F-172 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, 2004. 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 12/31/2003 and 12/31/2004. In this case, the mean unearned premium reserve is 29.3% 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-172 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 1.92% 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 15.3% of premiums. The explanation of this 15.3% 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-174 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 5.05%. 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 3.77% 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. Yes. This filing adopts the changes in the inexperienced operator classes and the SDIP surcharges as agreed to in the settlement of the Rate Bureau's February 1, 2006 rate filing.

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
ROBERT C. SCHUMACHER

2006 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. Robert C. Schumacher, 225 Water Street, Jacksonville, Florida.

Q. By whom are you employed?

A. Wachovia Bank, N.A.

Q. In what capacity?

A. I am a 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 eight 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. Eight years. I also have approximately 21 years of experience managing fixed income investments prior to joining Evergreen.

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, 2002.

Q. In connection with the Facility's 2006 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, 2008?

A. Yes.

Q. Did you make those calculations?

A. Yes I have. I was requested in November, 2005 to make the calculations. Based on the size of the portfolio in November, 2005 and the yields at that time, I arrived at an estimate of the yield during the two-year period beginning October 1, 2006 and ending September 30, 2008 of approximately 4.80%. Subsequently the Facility asked me in May, 2006 to update my calculations. Therefore, I performed the same calculations again, except that I used the portfolio as it existed in early May, 2006 and the yields available at that time. Based on those data, I arrived at an estimate of the yield during the two-year period beginning October 1, 2006 and ending September 30, 2008 of approximately 5.05%.

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, 2008, I divided the Facility's portfolio as it stood at the beginning of May, 2006 into three segments. The first segment included investments which will mature before October 1, 2006. The second segment consisted of investments which will mature during the period October 1, 2006 through September 30, 2008. The third segment consisted of all investments which will mature after September 30, 2008.

In looking at the third segment, the investments which will not mature until after September 30, 2008, 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, 2006 through September 30, 2008.

As to the first segment, i.e., the investments which will mature before October 1, 2006, 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, 2006 through September 30, 2008. For those assets, I simply applied the current rate up until the maturity date. From the maturity date until September 30, 2008, 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 5.05% investment yield estimate that is based on your updated 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.