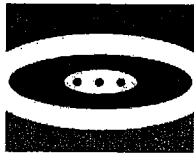


NCRB-NCRF-NCIGA



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

June 19, 2007

RECEIVED

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

JUN 19 2007

N.C. Dept of Insurance
Property & Casualty

Re: Revision of Automobile Insurance Rates -
Private Passenger Cars

Dear Sir:

Enclosed herewith for filing on behalf of the member companies of the North Carolina Reinsurance Facility are revised premium rates for bodily injury and property damage liability and medical payments insurance for nonfleet private passenger automobiles and bodily injury and property damage liability insurance for motorcycles ceded to the Reinsurance Facility. The rates set forth and supported in the enclosed materials apply only to ceded risks other than "clean risks" as defined in G.S. 58-37-35(1). The rates for "clean risks" ceded to the Reinsurance Facility and the rates for uninsured and combined uninsured/underinsured motorists coverages ceded to the Reinsurance Facility are not affected by this filing. Those rates were established effective November 1, 2006 and continue in effect without change.

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 -9.3% for bodily injury, 2.4% for property damage and -3.3% for medical payments, for an overall average statewide rate level change of -4.6% for the stated coverages. The filing also indicates a need for a statewide rate level change of -5.2% for the motorcycle liability coverages and includes the appropriate relativities for such change. The ratios in the filing relating to expense experience were developed from special calls issued by the North Carolina Rate Bureau.

Information and statistical data required pursuant to G.S. 58-36-15(h) and information and statistical data described in 11 NCAC 10.1104 are contained in Section F to the extent presently available. In addition, the pre-filed testimony of (a) Raymond F. Evans, Jr., General Manager - North Carolina Reinsurance Facility; (b) Patrick B. Woods, Assistant Vice President and Actuary - Insurance Services Office; and (c) 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, 2007 in accordance with the following Rule of Application:

These changes are applicable to all policies becoming effective on or after October 1, 2007. No policy effective prior to October 1, 2007 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, 2007.

Sincerely,



F. Timothy Lucas
Automobile Manager

FTL:dms

Enclosures

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE CEDED INSURANCE
REVISION OF RATES

INDEX

	<u>Page (s)</u>
Section A - Summary of Revision	
Statewide Rate Level Changes by Coverage	A-1
Territory Rate Level Changes by Coverage	A-2
Section B - Material to be Implemented	
Territory Base Rates	B-1
Determination of Rates Memorandum	B-2
Revised Rules	B-3
Section C - Supporting Experience	
Statewide Indicated Rate Level Changes	C-1-6
Territory Indicated Rate Level Changes	C-7-13
Section D - Explanatory Material	
Premium and Loss Experience	D-1-2
Statewide Rate Level Exhibits	D-2-4
Territory Rate Level Exhibits	D-5
Trend Exhibits	D-6-10
Calculation of Loss and Claim Development Factors	D-11-16
Loss and Expense Provisions	D-17-19
Credibility Table	D-20-21
Section E - Increased Limits Review	E-1-6
Section F - Supplemental Material	F-1- 199
Section G - Motorcycle Review	
Statewide Rate Level Changes by Coverage	G-1
Statewide Indicated Rate Level Changes	G-2
Explanatory Material	G-3
Derivation of Expected Loss Ratio	G-4
Calculation of Loss Trend Factors	G-5
Calculation of Rate Relativities	G-6

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 PREMIUM WEIGHT (A)</u>	<u>FILED CHANGE</u>
Ceded Liability(B):		
Bodily Injury (C)	\$163,925	-9.3%
Property Damage(C)	108,193	2.4%
Medical Payments	12,371	-3.3%
Ceded Total (D)	284,489	-4.6%
Motorcycle Liability:	21,546	-5.2%

(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 = +2.2%

PD higher limits indication = 0.0%

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

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

<u>Terr.</u> <u>Code</u>	<u>Description</u>	30/60 <u>B.I.</u>	\$25,000 <u>P.D.</u>	30/60/25 <u>Combined</u>
11	Asheville	-10.2%	2.7%	-3.9%
13	Durham	-10.5%	1.3%	-5.4%
14	Greensboro	-11.2%	0.5%	-6.0%
15	High Point	-7.2%	0.5%	-4.0%
16	Raleigh	-6.9%	2.7%	-2.5%
17	Wilmington	-9.2%	4.4%	-3.5%
18	Winston-Salem	-7.7%	2.5%	-3.1%
24	Remainder-West	-8.6%	1.8%	-4.1%
25	Gaston County	-3.8%	3.7%	-0.6%
26	Remainder-South	-12.3%	1.6%	-7.8%
31	Small City-East	-10.0%	2.6%	-4.8%
32	Small City-West	-8.0%	2.8%	-3.2%
33	Remainder-East	-10.1%	3.0%	-5.2%
40	Fayetteville	-9.7%	3.6%	-4.5%
41	Onslow County	-13.2%	2.8%	-6.4%
43	Craven County	-10.6%	2.8%	-5.3%
47	Wayne County	-5.1%	2.3%	-2.2%
51	Mecklenburg County -Remainder	-11.1%	2.4%	-4.6%
52	Charlotte	-7.8%	2.6%	-3.3%
	STATEWIDE	-9.3%	2.4%	-4.4%

SECTION B
MATERIAL TO BE IMPLEMENTED

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

PROPOSED BASE RATES - CEDED LIABILITY

<u>Terr Code</u>	<u>\$30,000/60,000 Bodily Injury</u>	<u>\$25,000 Property Damage</u>	<u>\$500 Medical Payments</u>
11	\$177	\$190	\$20
13	264	227	30
14	247	219	28
15	282	219	32
16	242	228	27
17	287	235	32
18	229	206	26
24	201	174	22
25	278	224	31
26	341	192	38
31	252	201	28
32	207	185	23
33	250	172	28
40	315	231	35
41	249	218	28
43	244	182	27
47	262	179	29
51	201	216	22
52	282	240	32

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

— DETERMINATION OF RATES TO BE CHARGED INDIVIDUAL INSURED

Liability and Medical Payments Rates

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

19. MISCELLANEOUS TYPES (Cont'd)

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

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

LIABILITY COVERAGES ONLY

1. Such vehicles with engine size of 499 cubic centimeters or less shall be rated at 16% of the applicable private passenger rate.
2. Such vehicles with engine size of 500 to 1249 cubic centimeters shall be rated at 26% of the applicable private passenger rate.
3. Such vehicles with engine size of 1250 to 1499 cubic centimeters shall be rated at 36% of the applicable private passenger rate.
4. Such vehicles with engine size of 1500 or more cubic centimeters shall be rated at 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 12/31/2005

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)	\$80,504,554	\$73,065,461	\$7,642,088
(2) Loss Development Factor (b)	1.107	1.022	1.085
(3) Developed Losses and ALAE (1)x(2)	89,118,541	74,672,901	8,291,665
(4) Unallocated Loss Adjustment Expense Factor (See page D-17)	0.128	0.122	0.128
(5) Unallocated Loss Adjustment Expense (3)x(4)	11,407,173	9,110,094	1,061,333
(6) General and Other Acquisition Expenses (c)	19,421,107	15,761,429	1,745,804
(7) Earned Exposures (a)	399,937	399,937	229,148
(8) Incurred Claims (a)	14,118	32,330	6,478
(9) Claim Development Factor (d)	0.946	1.008	1.024
(10) Developed Claims (9)x(10)	13,356	32,589	6,633
(11) Average Annual Change in Losses and ALAE (See page D-7)	0.4%	0.0%	-1.1%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(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)	90,187,963	74,672,901	8,018,040
(17) Projected ULAE (f)	12,479,447	9,966,443	1,161,098
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	256.71	211.63	40.06
(19) Projected G & OA Expenses (g)	21,071,901	17,101,150	1,894,197
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	52.69	42.76	8.27
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	309.40	254.39	48.33
(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)	3.9%	3.9%	3.9%
(25) Installment Income (i)	1.1%	1.1%	1.1%
(26) Adjustment Factor for Increase in MVR Fee (j)	1.00435	1.00435	1.00435
(27) Premium Required per exposure $[(21)x(26)]/[(23)+(24)+(25)-(22)]$	335.22	275.62	52.36
(28) Distributional Adjustment Factor (k)	1.404	1.416	1.922
(29) Required 30/60/25 Base Class Premium $[(27)/(28)]$	238.76	194.65	27.24
(30) Indicated Total Limits Change (See Section E)	2.2%	0.0%	
(31) Required 30/60/25 Base Class Premium $[(29)x(1.0+(30))]$	244.01	194.65	27.24

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2005

- (a) Based on the statistical plan data reported by member companies.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. For Bodily Injury, the three year average excluding the 2003 15-27 month link ratio was used. See pages D-11-13.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.1% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
— [(3) x (1 + (11))], where (13) = the number of years of projection from the average date of accident to 7/12/2008.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2005 to 7/12/2008.
- (g) Projected general and other acquisition expenses =
(15)
[(6) x (1 + (12))], where (15) = the number of years of projection from 7/1/2005 to 4/1/2008.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.
- (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 12/31/2004

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)	\$91,696,161	\$72,068,659	\$8,042,302
(2) Loss Development Factor (b)	1.049	1.004	1.025
(3) Developed Losses and ALAE (1)x(2)	96,189,273	72,356,934	8,243,360
(4) Unallocated Loss Adjustment Expense Factor (See page D-18)	0.113	0.126	0.113
(5) Unallocated Loss Adjustment Expense (3)x(4)	10,869,388	9,116,974	931,500
(6) General and Other Acquisition Expenses (c)	18,753,472	16,001,004	1,478,580
(7) Earned Exposures (a)	381,731	381,731	206,195
(8) Incurred Claims (a)	14,358	32,510	6,374
(9) Claim Development Factor (d)	0.982	1.001	1.009
(10) Developed Claims (9)x(10)	14,100	32,543	6,431
(11) Average Annual Change in Losses and ALAE (See page D-7)	0.2%	-0.1%	-0.9%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(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)	96,958,787	72,067,506	7,946,599
(17) Projected ULAE (f)	12,249,800	10,274,830	1,049,801
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	286.09	215.71	43.63
(19) Projected G & OA Expenses (g)	20,947,628	17,873,121	1,651,574
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	54.88	46.82	8.01
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	340.97	262.53	51.64
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-18)	0.877	0.877	0.877
(24) Investment Income (i)	3.9%	3.9%	3.9%
(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 $[(21)x(26)]/((23)+(24)+(25)-(22))]$	369.95	284.85	56.03

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2004

- (a) Based on the statistical plan data reported by member companies.
- (b) Loss development factors are based on three-year averages through 63 months of development for Bodily Injury, Property Damage and Medical Payments. See pages D-11-13.
- (c) The general expenses and other acquisition expenses have been calculated to be 5.9% and 8.3%, respectively, of the combined Voluntary and Ceded manual earned premium. These expenses are allocated between the Voluntary and Ceded business based on the Voluntary and Ceded premium distribution. See RF-4 and F-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
[(3) x (1 + (11))], where (13) = the number of years of projection from the average date of accident to 7/12/2008.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2004 to 7/12/2008.
- (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 4/1/2008.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

STATEWIDE RATE REVIEW
ACCIDENT YEAR ENDED 12/31/2003

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)	\$88,185,830	\$74,964,601	\$7,566,474
(2) Loss Development Factor (b)	1.019	1.001	1.011
(3) Developed Losses and ALAE (1)x(2)	89,861,361	75,039,566	7,649,705
(4) Unallocated Loss Adjustment Expense Factor (See page D-19)	0.119	0.128	0.119
(5) Unallocated Loss Adjustment Expense (3)x(4)	10,693,502	9,605,064	910,315
(6) General and Other Acquisition Expenses (c)	17,206,651	15,708,920	1,368,291
(7) Earned Exposures (a)	371,504	371,504	198,522
(8) Incurred Claims (a)	13,907	33,112	6,357
(9) Claim Development Factor (d)	0.991	1.000	1.003
(10) Developed Claims (9)x(10)	13,782	33,112	6,376
(11) Average Annual Change in Losses and ALAE (See page D-7)	-0.1%	-0.6%	-1.2%
(12) Average Annual Change in Expenses (See page D-6)	3.0%	3.0%	3.0%
(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)	89,412,054	72,788,379	7,198,372
(17) Projected ULAE (f)	12,404,462	11,141,874	1,055,965
(18) Projected Losses and LAE per exposure $[(16)+(17)]/(7)$	274.07	225.92	41.58
(19) Projected G & OA Expenses (g)	19,804,855	18,080,967	1,574,903
(20) Projected Fixed Expenses per exposure $[(19)/(7)]$	53.31	48.67	7.93
(21) Projected Loss, LAE and Expenses Per Exposure $[(18)+(20)]$	327.38	274.59	49.51
(22) Percentage Dividends (h)	0.0%	0.0%	0.0%
(23) Permissible Loss, LAE and G & OA Expense Ratio (See page D-19)	0.876	0.876	0.876
(24) Investment Income (i)	3.9%	3.9%	3.9%
(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 $[(21)x(26)]/((23)+(24)+(25)-(22))$	355.59	298.25	53.78

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. 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-152.
- (d) Claim development factors are to 63 months for Bodily Injury, Property Damage and Medical Payments. See pages D-14-16.
- (e) Projected losses and allocated loss adjustment expenses =
(13)
[(3) x (1 + (11))], where (13) = the number of years of projection from the average date of accident to 7/12/2008.
- (f) Projected unallocated loss adjustment expenses =
(14)
[(5) x (1 + (12))], where (14) = the number of years of projection from 7/1/2003 to 7/12/2008.
- (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 4/1/2008.
- (h) Selected value.
- (i) Investment income, (24), is the average rate of investment return as a percent of direct market earned premium as calculated on page F-169 and Installment Income, (25), is the latest five year average installment income as a percent of direct earned premium. (See Exhibit RF-5).
- (j) Estimated premium effect of increase in MVR fees from \$5 to \$8, effective 10/1/2005.

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

T E R R I T O R Y	(1) EARNED CAR YEARS YR. ENDED 12/31/2005	(2) 30/60 LOSS COST 3 YRS ENDED 12/31/2005	(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	6,851	69.95	0.642	108.96	1.0	108.96	0.674	197	177
13	9,339	112.35	0.634	177.21	1.0	177.21	1.096	295	264
14	9,030	103.56	0.631	164.12	1.0	164.12	1.015	278	247
15	2,841	117.87	0.612	192.60	0.9	191.62	1.185	304	282
16	24,276	100.05	0.625	160.08	1.0	160.08	0.990	260	242
17	8,145	121.39	0.622	195.16	1.0	195.16	1.207	316	287
18	9,996	89.61	0.598	149.85	1.0	149.85	0.927	248	229
24	106,184	75.27	0.588	128.01	1.0	128.01	0.792	220	201
25	8,415	111.33	0.592	188.06	1.0	188.06	1.163	289	278
26	31,713	127.42	0.536	237.72	1.0	237.72	1.470	389	341
31	20,637	104.01	0.618	168.30	1.0	168.30	1.041	280	252
32	35,152	80.53	0.608	132.45	1.0	132.45	0.819	225	207
33	61,156	99.39	0.597	166.48	1.0	166.48	1.029	278	250
40	11,156	132.86	0.611	217.45	1.0	217.45	1.345	349	315
41	8,197	107.13	0.648	165.32	1.0	165.32	1.022	287	249
43	5,769	101.74	0.629	161.75	1.0	161.75	1.000	273	244
47	7,300	106.27	0.604	175.94	1.0	175.94	1.088	276	262
51	3,143	77.90	0.619	125.85	0.8	127.86	0.791	226	201
52	30,479	120.11	0.628	191.26	1.0	191.26	1.183	306	282
SW	399,779	96.97	0.600	161.72		161.73			

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

T E R R	(1) EARNED CAR YEARS YR. ENDED 12/31/2005	(2) \$25,000 LOSS COST 3 YRS ENDED 12/31/2005	(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	6,851	91.22	0.799	114.17	1.0	114.17	0.970	185	190
13	9,339	112.91	0.802	140.79	1.0	140.79	1.196	224	227
14	9,030	107.99	0.797	135.50	1.0	135.50	1.151	218	219
15	2,841	103.58	0.767	135.05	1.0	135.05	1.147	218	219
16	24,276	111.06	0.786	141.30	1.0	141.30	1.201	222	228
17	8,145	113.73	0.776	146.56	1.0	146.56	1.245	225	235
18	9,996	94.98	0.756	125.63	1.0	125.63	1.067	201	206
24	106,184	76.27	0.742	102.79	1.0	102.79	0.873	171	174
25	8,415	100.99	0.729	138.53	1.0	138.53	1.177	216	224
26	31,713	82.79	0.717	115.47	1.0	115.47	0.981	189	192
3	20,637	94.31	0.772	122.16	1.0	122.16	1.038	196	201
32	35,152	85.04	0.769	110.59	1.0	110.59	0.940	180	185
33	61,156	75.76	0.746	101.55	1.0	101.55	0.863	167	172
40	11,156	113.22	0.786	144.05	1.0	144.05	1.224	223	231
41	8,197	106.63	0.792	134.63	1.0	134.63	1.144	212	218
43	5,769	84.31	0.775	108.79	1.0	108.79	0.924	177	182
47	7,300	81.17	0.760	106.80	1.0	106.80	0.907	175	179
51	3,143	102.51	0.772	132.78	1.0	132.78	1.128	211	216
52	30,479	118.54	0.790	150.05	1.0	150.05	1.275	234	240
SW	399,779	89.59	0.761	117.70		117.70			

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 12/31/2005.
- (2) Pure premium (losses divided by exposures) for the three years ended 12/31/2005.
Liability data are developed to ultimate.
- (3) Distributional adjustment factor = Present average rate for year ended 12/31/2005 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.

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:

(1) Projected general and other acquisition expenses per exposure (from page C-1, line (20))	BI 52.69	ED 42.76
(2) Required average premium per exposure (from page C-1, line (27))	335.22	275.62
(3) Fixed ratio = (1) / (2)	0.157	0.155
(4) Variable ratio 1 - (3)	0.843	0.845
(5) Required Base Class Premium (from page C-1, line (31))	244.01	194.65
(6) Flattened expenses (2) x (3)	38.31	30.17

Offsets are as follows: No offsets have been applied.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
MEDICAL PAYMENTS

CALCULATION OF REVISED BASE RATES BY TERRITORY

- (1) Ave MP ILF 1.816
- (2) % of BI 11.19%
- (3) Revised Base Class Rate: \$27.16
- (4) Target Base class rate: \$27.24

(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	2,535	21	177	1,000	20	50,700	36.36	38.18	-4.8%
13	4,863	31	264	1,000	30	145,890	54.54	56.36	-3.2%
14	3,874	29	247	1,000	28	108,472	50.90	52.72	-3.5%
15	1,363	32	282	1,000	32	43,616	58.18	58.18	0.0%
16	13,794	27	242	1,000	27	372,438	49.09	49.09	0.0%
17	3,502	33	287	1,000	32	112,064	58.18	59.99	-3.0%
18	4,381	26	229	1,000	26	113,906	47.27	47.27	0.0%
24	61,629	23	201	1,000	22	1,355,838	40.00	41.81	-4.3%
25	3,343	30	278	1,000	31	103,633	56.36	54.54	3.3%
26	20,431	41	341	1,000	38	776,378	69.08	74.54	-7.3%
31	13,662	29	252	1,000	28	382,536	50.90	52.72	-3.5%
32	18,575	23	207	1,000	23	427,225	41.81	41.81	0.0%
33	46,993	29	250	1,000	28	1,315,804	50.90	52.72	-3.5%
40	3,868	36	315	1,000	35	135,380	63.63	65.45	-2.8%
41	2,570	30	249	1,000	28	71,960	50.90	54.54	-6.7%
43	3,699	29	244	1,000	27	99,873	49.09	52.72	-6.9%
47	5,406	29	262	1,000	29	156,774	52.72	52.72	0.0%
51	1,732	24	201	1,000	22	38,104	40.00	43.63	-8.3%
52	12,813	32	282	1,000	32	410,016	58.18	58.18	0.0%
	229,033					6,220,607			-3.3%

- (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. (6) 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	12/31/2005	PREM	RATE	FACTOR	PREM	RATE	FACTOR
11	6,851	300.08	197	1.523	281.80	185	1.523
13	9,339	425.12	295	1.441	322.80	224	1.441
14	9,030	417.28	278	1.501	327.22	218	1.501
15	2,841	438.15	304	1.441	314.20	218	1.441
16	24,276	377.45	260	1.452	322.28	222	1.452
17	8,145	446.25	316	1.412	317.74	225	1.412
18	9,996	362.79	248	1.463	294.04	201	1.463
24	106,184	321.40	220	1.461	249.81	171	1.461
25	8,415	412.63	289	1.428	308.40	216	1.428
26	31,713	478.43	389	1.230	232.45	189	1.230
31	20,637	391.62	280	1.399	274.13	196	1.399
32	35,152	335.13	225	1.489	268.10	180	1.489
33	61,156	368.02	278	1.324	221.08	167	1.324
40	11,156	517.49	349	1.483	330.66	223	1.483
41	8,197	464.98	287	1.620	343.47	212	1.620
43	5,769	398.73	273	1.461	258.52	177	1.461
47	7,300	355.22	276	1.287	225.23	175	1.287
51	3,143	340.06	226	1.505	317.49	211	1.505
52	30,479	422.34	306	1.380	322.96	234	1.380
SW	399,779	377.77	268.98	1.404	269.45	190.23	1.416

MEDICAL PAYMENTS						
	(1)	(2)	(3)	(4)		
T	EARNED	\$500	\$500	(2)/(3)		
E	CAR YEARS	PRES.	BASE	DISTRIB.		
R	YR. ENDED	AVG.	CLASS	ADJUST.		
R	12/31/2005	PREM	RATE	FACTOR		
11	2,535	24.83	21	1.182		
13	4,863	34.38	31	1.109		
14	3,874	34.51	29	1.190		
15	1,363	34.80	32	1.088		
16	13,794	29.99	27	1.111		
17	3,502	35.42	33	1.073		
18	4,381	29.46	26	1.133		
24	61,629	25.72	23	1.118		
25	3,343	32.03	30	1.068		
26	20,431	37.65	41	0.918		
31	13,662	30.17	29	1.040		
32	18,575	26.14	23	1.137		
33	46,993	29.15	29	1.005		
40	3,868	38.89	36	1.080		
41	2,570	34.88	30	1.163		
43	3,699	30.71	29	1.059		
47	5,406	27.37	29	0.944		
51	1,732	28.40	24	1.183		
52	12,813	34.65	32	1.083	AVERAGE ILF	TOTAL
SW	229,033	29.70	28.10	1.057	1.818	1.922

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 12/31/2005	30/60 PRES. AVG. PREM(A)	30/60 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,851	126.49	197	0.642	0.732
13	9,339	187.14	295	0.634	1.097
14	9,030	175.51	278	0.631	1.034
15	2,841	186.08	304	0.612	1.130
16	24,276	162.44	260	0.625	0.967
17	8,145	196.61	316	0.622	1.175
18	9,996	148.30	248	0.598	0.922
24	106,184	129.40	220	0.588	0.818
25	8,415	171.00	289	0.592	1.074
26	31,713	208.40	389	0.536	1.446
31	20,637	172.96	280	0.618	1.041
32	35,152	136.71	225	0.608	0.836
33	61,156	166.05	278	0.597	1.034
40	11,156	213.09	349	0.611	1.297
41	8,197	186.00	287	0.648	1.067
43	5,769	171.70	273	0.629	1.015
47	7,300	166.67	276	0.604	1.026
51	3,143	139.95	226	0.619	0.840
52	30,479	192.26	306	0.628	1.138
SW	399,779	161.29	268.98	0.600	

(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 12/31/2005	\$25000. PRES. AVG. PREM(A)	\$25000 BASE CLASS RATE	(2)/(3) DISTRIB. ADJUST. FACTOR	(3)/SW(3) HISTORICAL ADJUST. FACTOR
11	6,851	147.88	185	0.799	0.973
13	9,339	179.73	224	0.802	1.178
14	9,030	173.66	218	0.797	1.146
15	2,841	167.11	218	0.767	1.146
16	24,276	174.51	222	0.786	1.167
17	8,145	174.66	225	0.776	1.183
18	9,996	151.94	201	0.756	1.057
24	106,184	126.83	171	0.742	0.899
25	8,415	157.57	216	0.729	1.135
26	31,713	135.55	189	0.717	0.994
31	20,637	151.34	196	0.772	1.030
32	35,152	138.48	180	0.769	0.946
33	61,156	124.54	167	0.746	0.878
40	11,156	175.17	223	0.786	1.172
41	8,197	167.97	212	0.792	1.114
43	5,769	137.18	177	0.775	0.930
47	7,300	132.98	175	0.760	0.920
51	3,143	162.82	211	0.772	1.109
52	30,479	184.79	234	0.790	1.230
SW	399,779	144.70	190.23	0.761	

(A) Voluntary and ceded combined

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-7.

Premium, Loss and Expense Experience

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

The Commissioner appointed the following statistical agents to act on his behalf for the collection of private passenger automobile insurance experience in North Carolina; Insurance Services Office (ISO), 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 2005 Official Statistical Programs of ISO, the Automobile Statistical Plan - All Coverages and the 2005 Statistical Programs of PCI, and the Automobile Statistical Plan - All Coverages - Part IV, North Carolina and the 2005 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, 2005, 2004 and 2003. 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, 2005. However, the experience of the earlier two years was also considered and evaluated. Indications for all three years were reviewed to make sure that there were no anomalies or abnormalities associated with the latest year.

Motorcycle Liability

Motorcycle data are obtained from a Special Call for Expense Experience issued by the Rate Bureau. See page F-153. The data are compiled on a combined voluntary and ceded basis. The motorcycle data are for the years ended December 31, 2005, 2004 and 2003. 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>
12/31/2005 (reported as of 15 months)	1.107	1.022	1.085
12/31/2004 (reported as of 27 months)	1.049	1.004	1.025
12/31/2003 (reported as of 39 months)	1.019	1.001	1.011

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

3. Private Passenger Loss Adjustment Expense

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

4. Private Passenger General Expenses and Other Acquisition Expenses

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

5. Prospective Annual Change in Losses

A. Private Passenger Automobile Liability

The prospective annual changes in liability losses are determined by coverage for the Bodily Injury, Property Damage and Medical Payments coverages. The average annual changes in losses are based upon the available North Carolina average claim cost and claim frequency data, both from collected statistical plan experience and ISO-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 12/31/2003 and 12/31/2004 to the year ended 12/31/2005 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, 2005 is July 1, 2005.

The changes proposed in this filing are applicable to all new and renewal policies written on or after October 1, 2007. The losses and loss adjustment expenses are projected to July 12, 2008. 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, 2008) 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 2005, 2004 and 2003 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)	3.5%	-3.0%	0.4%
Bodily Injury (T/L)	3.5%		
Property Damage	2.0%	-2.0%	0.0%
Medical Payments	3.0%	-4.0%	-1.1%

Expense Trend 3.0%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2003 and 2004

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2005 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2003	1.057	0.928	0.981	1.004	0.999
	2004	1.043	0.953	0.994	1.004	1.002
	2005	1.000	1.000	1.000	1.004	1.004
Property Damage	2003	1.000	0.969	0.969	1.000	0.994
	2004	1.013	0.982	0.995	1.000	0.999
	2005	1.000	1.000	1.000	1.000	1.000
Medical Payments	2003	1.071	0.910	0.975	0.989	0.988
	2004	1.020	0.976	0.996	0.989	0.991
	2005	1.000	1.000	1.000	0.989	0.989

(a) 2003 Claim Cost Change = (2005 Claim Cost) / (2003 Claim Cost).
2004 Claim Cost Change = (2005 Claim Cost) / (2004 Claim Cost).

(b) 2003 Claim Frequency Change = (2005 Claim Frequency)
/ (2003 Claim Frequency). 2004 Claim Frequency Change =
(2005 Claim Frequency) / (2004 Claim Frequency).

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

(d) Annualized Trend for 2003 and 2004

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

where m is the number of years of projection of the 2005 trend factor from 7/1/2005 to 7/12/2008, 3.03, Col (4) represents the Current Cost Factor to 7/1/2005, and n represents the number of years of projection for a given prior year, 4.03 for 2004 and 5.03 for 2003.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2003 and 2004

	(1)	(2)	(3)
Coverage	Year Ended	Paid Claim Cost (a)	Claim Frequency (b)
Bodily Injury	2003	\$ 6,330	1.53
	2004	6,417	1.49
	2005	6,693	1.42
Property Damage	2003	\$ 2,579	3.91
	2004	2,545	3.86
	2005	2,578	3.79
Medical Payments	2003	\$ 1,644	1.34
	2004	1,727	1.25
	2005	1,761	1.22

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

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	

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)	3.09%	3.54%	3.32%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.28%	3.32%	3.30%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.18%	2.50%	2.84%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	1.89%	2.18%	2.03%
(5) Average Annual Index (D)			
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	
Year Ended 6/30/2006	198.99	190.93	
Year Ended 12/31/2006	201.59	193.35	

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

Year Ended 6/30/2004	1.08	1.10	1.09
Year Ended 12/31/2004	1.07	1.08	1.08
Year Ended 6/30/2005	1.05	1.05	1.05
Year Ended 12/31/2005	1.03	1.03	1.03
Year Ended 6/30/2006	1.01	1.02	1.02
Year Ended 12/31/2006	1.00	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

1 Carriers

Voluntary and Ceded Combined

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

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

Five Year Average	1.061	1.025	1.013	1.004
----------------------	-------	-------	-------	-------

Three Year Average (b)	1.055	1.029	1.015	1.004
---------------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.017	1.019
27 to 63 months:	1.042	1.049
15 to 63 months:	1.106	1.107

(a) Losses are on a 30/60 level for 2002-2005.
Losses are on a 25/50 level for 1992-2001.
The 15-27 month three year average is for 2001, 2002 and 2004.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

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

Loss Development Factors

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

Five Year Average	1.018	1.002	1.001	1.000
Three Year Average	1.018	1.003	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.003	1.004
15 to 63 months:	1.021	1.022

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

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

Loss Development Factors

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Full Carriers

Voluntary and Ceded Combined

Bodily Injury Incurred Claims as of

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

Claim Development Factors

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

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

1 Carriers

Voluntary and Ceded Combined

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

Claim Development Factors

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

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

1991 Carriers

Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

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

Claim Development Factors

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

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2005 EXPENSE PROVISIONS

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

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

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

SUMMARY OF 2004 EXPENSE PROVISIONS

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

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

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.

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:

Average Number of Claim for the Latest Two Years (A)	Weight to Earlier Year	Weight to Later Year
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>	Determination of Territory Credibility (B)	<u>Credibility</u>	Determination of Trend Factor Credibility (C)
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

Since no changes to the increased limits factors for Bodily Injury and Property Damage Liability have been proposed, the total limits indications for these coverages have been applied to the basic limit rates.

The Bodily Injury total limits indication of +2.2%, determined on page E-2 is applied to the basic limits Bodily Injury rates.

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

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

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

NORTH CAROLINA
REVIEW OF BODILY INJURY INCREASED LIMITS

Ceded Business	12/31/2003	12/31/2004	12/31/2005	3 Years Combined
(1) Basic limits losses (a) (b)	250,636,008	252,682,235	224,430,204	727,748,447
(2) Basic limits loss dev. factor (See page D-11)	1.019	1.049	1.107	
(3) Basic limits claim cost trend (See page D-6)	3.5%	3.5%	3.5%	
(4) Years of trend (See page C-2)	5.03	4.03	3.03	
(5) Basic limits trend factor [1+(3)]^(4)	1.189	1.149	1.110	
(6) Basic limits losses, trended and developed (1)x(2)x(5)	303,668,332	304,558,151	275,773,102	883,999,585
(7) Total limits losses (b)	271,237,091	272,943,371	242,217,979	786,398,441
(8) Total limits loss dev. factor (See page F-43)	1.022	1.066	1.167	
(9) Total limits claim cost trend (See page D-6)	3.5%	3.5%	3.5%	
(10) Years of trend (See page C-2)	5.03	4.03	3.03	
(11) Total limits trend factor [1+(9)]^(10)	1.189	1.149	1.110	
(12) Total limits losses, trended and developed (7)x(8)x(11)	329,595,921	334,310,321	313,761,903	977,668,145
(13) Indicated average if (12)/(6)	1.085	1.098	1.138	1.106
(14) Average increased limits factor (See page E-4)	1.078	1.082	1.085	1.082 (c)
(15) Indicated change to excess limits increments {[13]-1}/[14]-1				29.3%
(16) Indicated total limits change {(13)/(14)}-1				2.2%

- (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	12/31/2003	12/31/2004	12/31/2005	3 Years Combined
(1) Basic limits losses (a) (b)	201,914,903	205,245,611	204,734,314	611,894,828
(2) Basic limits loss dev. factor (See page D-12)	1.001	1.004	1.022	
(3) Basic limits losses, developed (1)x(2)	202,116,818	206,066,593	209,238,469	617,421,880
(4) Total limits losses (b)	202,596,779	206,228,416	205,680,799	614,505,994
(5) Total limits loss dev. factor (See page F-44)	1.001	1.004	1.021	
(6) Total limits losses, developed (4)x(5)	202,799,376	207,053,330	210,000,096	619,852,802
(7) Indicated average increased limits factor (6) / (3)	1.003	1.005	1.004	1.004
(8) Average increased limits factor (See page E-5)	1.004	1.004	1.004	1.004 (c)
(9) Indicated change to excess limits increments {[(7)-1]/[(8)-1]}-1				0.0%
(10) Indicated total limits change {(7)/(8)}-1				0.0%

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

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

(c) Three Year Average

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

Year Ending 12/31/2005

Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	177,602,345	1.00	177,602,345	1.00	177,602,345
50/100	69,121,006	1.14	60,632,461	1.15	69,727,330
100/200	622,829	1.30	479,099	1.33	637,202
100/300	52,242,846	1.32	39,577,914	1.35	53,430,184
250/500	1,434,813	1.52	943,956	1.57	1,482,011
300/300	114,119	1.50	76,079	1.54	117,162
1000/1000	458,062	1.76	260,263	1.83	476,281
All Other	1,346,364	1.079	1,247,789	1.085	1,353,851
	302,942,384	1.079	280,819,906	1.085	304,826,366

Year Ending 12/31/2004

Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	179,211,213	1.00	179,211,213	1.00	179,211,213
50/100	64,996,754	1.14	57,014,696	1.15	65,566,900
100/200	852,557	1.30	655,813	1.33	872,231
100/300	49,847,380	1.32	37,763,167	1.35	50,980,275
250/500	1,380,406	1.52	908,162	1.57	1,425,814
300/300	279,601	1.50	186,401	1.54	287,058
1000/1000	2,574	1.76	1,463	1.83	2,677
All Other	101,142	1.076	93,998	1.082	101,706
	296,671,627	1.076	275,834,913	1.082	298,447,874

Year Ending 12/31/2003

Ceded Bodily Injury - 30/60 base

Limit Of Liability	(1) Written Premium	(2) Prior ILF	(3) 30/60 Premium	(4) Current ILF	(5) (3)x(4) T/L Premium
30/60	178,876,404	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

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

Year Ending 12/31/2005

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	151,536,139	1.000	151,536,139	1.000	151,536,139
50,000	100,546,087	1.010	99,550,581	1.010	100,546,087
100,000	2,577,872	1.030	2,502,788	1.030	2,577,872
250,000	339	1.059	320	1.059	339
300,000	352	1.069	329	1.069	352
500,000	174	1.113	156	1.113	174
1,000,000	0	1.202	0	1.202	0
All Other	1,405,115	1.004	1,399,517	1.004	1,405,115
	256,066,078	1.004	254,989,830	1.004	256,066,078

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	154,271,666	1.000	154,271,666	1.000	154,271,666
50,000	92,363,937	1.010	91,449,443	1.010	92,363,937
100,000	2,040,919	1.030	1,981,475	1.030	2,040,919
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	1,825,565	1.004	1,818,292	1.004	1,825,565
	250,504,467	1.004	249,523,075	1.004	250,504,467

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

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

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

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	766,638	1.00	766,638
750	20,855	1.33	15,680
1,000	14,287,341	1.60	8,929,588
2,000	10,353,547	2.34	4,424,593
3,000	900	2.79	323
5,000	585,128	3.38	173,115
10,000	7,058	3.86	1,828
All Other	12,817	1.818	7,050
Total	26,034,284	1.818	14,318,815

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

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(1)/(2) B/L Premium
\$500	779,398	1.00	779,398
750	23,257	1.33	17,486
1,000	13,875,856	1.60	8,672,410
2,000	9,876,082	2.34	4,220,548
3,000	1,076	2.79	386
5,000	417,735	3.38	123,590
10,000	10,825	3.86	2,804
All Other	-34,126	1.808	-18,875
Total	24,950,103	1.808	13,797,747

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

Limit	(1)	(2)	(3)
	Written Premium	Prior ILF	(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

SECTION F
SUPPLEMENTAL MATERIAL

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
SUPPLEMENTAL MATERIAL

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

<u>Item</u>	<u>Page</u>
1. North Carolina earned premiums at actual and current rate levels; losses and loss adjustment expenses, each on a paid and incurred basis; the loss ratio anticipated at the time rates were promulgated for the experience period.	F-2-32
2. Credibility factor development and application.	F-33-35
3. Loss development factor derivation and application on both paid and incurred bases and in both dollars and numbers of claims.	F-36-112
4. Trending factor development and application.	F-113-148
5. Changes in premium base resulting from rating exposure trends.	F-149
6. Limiting factor development and application.	F-150
7. Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees.	F-151-153
8. Percent rate change.	F-154
9. Final proposed rates.	F-155
10. Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense and unearned premium reserves.	F-156-183
11. Identification of applicable statistical plans and programs and a certification of compliance with them.	F-184-189
12. Investment earnings on capital and surplus.	F-190
13. Level of capital and surplus needed to support premium writings without endangering the solvency of member companies.	F-191
14. Additional supplemental information (as per 11 NCAC 10.1104)	F-192-199

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

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED EARNED PREMIUM

I. EARNED PREMIUM AT COLLECTED LEVEL (a)

<u>Coverage</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>
Bodily Injury	\$128,407,843	\$132,066,708	\$144,933,631
Property Damage	117,230,749	112,683,126	117,622,606
Medical Payments	10,211,124	10,412,533	13,028,391

II. EARNED PREMIUM AT CURRENT LEVEL (a)

<u>Coverage</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>
Bodily Injury	\$142,548,671	\$149,752,475	\$151,082,697
Property Damage	102,224,232	107,388,855	107,762,351
Medical Payments	11,281,763	11,827,048	12,371,466

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
EARNED PREMIUM - MOTORCYCLES

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

<u>Coverage</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>
Motorcycle Liability	\$ 20,360,578	\$ 23,453,046	\$ 26,245,060

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

<u>Coverage</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>
Motorcycle Liability	\$ 16,205,594	\$ 19,098,753	\$ 21,546,385

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

(b) Voluntary and ceded business combined.

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

<u>Year</u>	<u>Paid Losses (a)</u>	<u>Incurred Losses (a)</u>
		Bodily Injury
12/31/2003	85,650,922	95,896,266
12/31/2004	75,733,921	97,761,320
12/31/2005	42,553,324	86,741,996
		Property Damage
12/31/2003	75,161,800	75,278,767
12/31/2004	72,199,932	72,462,783
12/31/2005	71,486,757	73,427,980
		Medical Payments
12/31/2003	7,542,695	7,563,232
12/31/2004	7,909,782	8,035,359
12/31/2005	6,694,715	7,636,156

(a) Paid and incurred losses are for ceded business written at Facility rates only. Losses are undeveloped and on a total limits basis, and do not include unallocated loss adjustment expense. These expenses are reflected via a factor. For Bodily Injury and Medical Payments, these factors are 11.9%, 11.3%, and 12.8% for year ended 12/31/2003, 12/31/2004 and 12/31/2005 respectively. For Property Damage, these factors for each year are 12.8%, 12.6% and 12.2% respectively. See page F-152.

NORTH CAROLINA
ANTICIPATED LOSS AND LOSS ADJUSTMENT EXPENSE RATIOS
CEDED

PRIVATE PASSENGER AUTO

<u>Coverage</u>	<u>12/31/2003</u>	<u>12/31/2004</u>	<u>12/31/2005</u>
Bodily Injury	.778	.788	.778
Property Damage	.821	.793	.791
Medical Payments	.783	.766	.811
Motorcycle Liability	.650	.565	.572

NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE

EXCLUDED COMPANIES

(The marketshare for each company mentioned, based on the total 2005 page 15 private passenger automobile written premium unless otherwise indicated, is found in parentheses after the company name.)

Universal Insurance Co. (0.85%) 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 2003-2005 are American Guaranty Insurance Co. (0.14%), American Southern Insurance Co. (0.22%), Builders Mutual Insurance Company (0.01%), Church Mutual Insurance Company (0.00%), Merastar Insurance Co. (0.03%), and Yasuda Fire and Marine insurance Co. (0.00%).

Ohio Casualty Insurance Co. (0.18%) 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 (2.25%), USAA Casualty Insurance Company (1.51%), USAA General Indemnity (0.20%), Pennsylvania National Casualty Insurance Company (0.59%), Cincinnati Insurance Co. (0.07%), Insurance Corporation of Hanover (0.00%), Harbor Specialty Insurance Company (0.0%), companies from the Hartford Insurance Group (0.89%), companies from Safeco Insurance Group (0.21%) 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	197
(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)	\$12,805

EXHIBIT (1) (e)

TOP TEN AUTOMOBILE INSURANCE WRITERS

<u>COMPANY NAME</u>	2005		2005 (a)		2005	
	<u>WRITTEN PREMIUM</u>	<u>WRITTEN PREMIUM MARKET SHARE</u>	<u>EARNED PREMIUM</u>	<u>EARNED PREMIUM MARKET SHARE</u>	<u>WRITTEN PREMIUM MARKET SHARE</u>	<u>EARNED PREMIUM MARKET SHARE</u>
NATIONWIDE MUTUAL INS CO	556,751,680	13.41%	570,883,162	13.84%	570,883,162	13.84%
STATE FARM MUTUAL AUTO INS CO	552,703,837	13.31%	556,886,192	13.50%	556,886,192	13.50%
N C FARM BUREAU MUTUAL INS CO	375,941,450	9.06%	370,715,821	8.99%	370,715,821	8.99%
INTEGON NATIONAL INS CO	292,356,337	7.04%	284,946,261	6.91%	284,946,261	6.91%
ALLSTATE INDEMNITY COMPANY	237,809,804	5.73%	230,295,004	5.58%	230,295,004	5.58%
ALLSTATE INSURANCE COMPANY	226,436,517	5.45%	230,409,847	5.59%	230,409,847	5.59%
NATIONWIDE MUTUAL FIRE INS CO	219,231,629	5.28%	228,057,374	5.53%	228,057,374	5.53%
GOVERNMENT EMPLOYEES INS CO	138,256,816	3.33%	132,570,186	3.21%	132,570,186	3.21%
PROGRESSIVE SOUTHEASTERN INS CO	105,436,856	2.54%	103,986,016	2.52%	103,986,016	2.52%
UNITED SERVICES AUTOMOBILE ASSOC	99,878,132	2.41%	98,012,394	2.38%	98,012,394	2.38%
TOTAL	\$ 2,804,803,058	67.56%	\$ 2,806,762,257	68.05%	\$ 2,806,762,257	68.05%
Grand Total	\$ 4,151,402,559		\$ 4,124,478,064		\$ 4,124,478,064	

(a) Per the 2005 Annual Statement, Statutory Page 14.

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 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	1,134,813	504,949	577,256	1,062,507
2 Allied lines	743,836	308,044	338,397	713,483
3 Farmowners	300,785	132,747	146,511	287,021
4 Homeowners	16,707,842	8,567,880	9,010,435	16,265,287
5 Comm multi peril	5,969,376	2,599,443	2,871,201	5,697,618
6 Mortgage guaranty	0	933	140	793
8 Ocean marine	260,326	116,926	118,436	258,816
9 Inland marine	1,231,225	530,649	581,745	1,180,129
10 Financial guaranty	257	0	-0	257
11 Medical malpractice	23,394	18,294	11,641	30,047
12 Earthquake	161,670	98,249	89,411	170,508
13 Group A & H	1,336,301	30,495	36,729	1,330,066
14 Credit A & H	6,182	11,688	13,153	4,717
15 Other A & H	1,204,783	599,927	735,941	1,068,766
16 Worker's comp	7,000,220	1,386,300	1,769,469	6,617,052
17 Other liability	5,255,584	3,190,083	3,238,210	5,299,705
18 Products liability	349,271	83,233	127,447	305,058
19 Auto liability	54,169,716	15,623,819	15,979,848	53,813,687
Auto phys. damage	35,999,251	10,302,445	10,424,810	35,876,886
Aircraft	270,165	83,991	83,668	270,489
23 Fidelity	120,951	59,261	62,802	117,410
24 Surety	357,508	150,107	177,217	330,398
26 Burglary + theft	12,805	5,468	6,656	11,617
27 Boiler and machinery	67,936	40,476	35,762	72,649
28 Credit	12,400	1,535	6,080	7,855
29 International	59,807	26,001	20,199	65,609
30 Reinsurance	791,350	22,763	27,238	786,875
31 Miscellaneous	49,614	80,949	93,759	36,804
32 TOTALS	133,597,366	44,576,656	46,584,161	131,682,107

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - PREMIUMS EARNED

	Net Premiums Written	Unearned Premiums Previous Year	Unearned Premiums Current Year	Net Earned Premiums
1 Fire	1,257,773	571,126	645,914	1,182,985
2 Allied lines	778,856	339,283	372,926	745,213
3 Farmowners	291,917	128,405	142,218	278,104
4 Homeowners	17,211,923	8,754,976	9,258,443	16,708,457
5 Comm multi peril	7,618,108	3,247,136	3,631,629	7,233,616
6 Mortgage guaranty	0	933	140	793
8 Ocean marine	276,500	123,470	122,546	277,424
9 Inland marine	1,471,664	621,157	687,331	1,405,490
10 Financial guaranty	257	0	-0	257
11 Medical malpractice	70,084	39,206	32,981	76,308
12 Earthquake	169,373	98,145	90,036	177,482
13 Group A & H	1,336,301	30,495	36,729	1,330,066
14 Credit A & H	6,182	11,688	13,153	4,717
15 Other A & H	1,204,698	598,226	734,299	1,068,624
16 Worker's comp	8,968,326	1,669,223	2,340,709	8,296,840
17 Other liability	6,378,920	3,640,820	3,787,619	6,324,368
18 Products liability	444,910	115,940	166,059	394,791
19 Auto liability	55,704,948	16,391,270	16,830,377	55,265,840
Auto phys. damage	36,612,364	10,658,839	10,808,607	36,462,595
Aircraft	272,038	89,177	86,787	274,428
23 Fidelity	162,455	81,753	90,862	153,346
24 Surety	458,502	180,571	228,625	410,449
26 Burglary + theft	16,719	7,764	9,183	15,299
27 Boiler and machinery	83,236	48,470	43,604	88,102
28 Credit	12,400	1,535	6,080	7,855
29 International	61,072	26,060	20,240	66,892
30 Reinsurance	799,700	24,109	29,132	794,678
31 Miscellaneous	49,638	80,969	93,769	36,838
32 TOTALS	141,718,862	47,580,747	50,309,998	139,081,857

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2004 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage			Net Payments	Net Losses Unpaid Current Year		Net Losses Unpaid Previous Year		Losses Incurred Current Year
	Direct Business	Reinsurance Assumed	Reinsurance Ceded		Unpaid Current Year	Unpaid Previous Year	Unpaid Current Year	Unpaid Previous Year	
1 Fire	298,642	685,317	500,151	483,808	382,248	311,572	554,484		
2 Allied lines	3,885,473	1,074,399	4,420,288	539,584	490,752	293,314	737,022		
3 Farmowners	114,521	83,613	73,532	124,602	91,022	77,460	138,164		
4 Homeowners	7,237,674	8,261,987	6,069,074	9,430,587	5,655,574	3,754,190	11,331,971		
5 Comm multi peril	2,186,102	2,982,299	2,527,438	2,640,963	4,632,298	4,180,643	3,092,618		
6 Mortgage guaranty	0	0	0	0	0	404	-404		
8 Ocean marine	177,369	260,285	341,408	96,246	223,527	156,558	163,215		
9 Inland marine	1,277,729	818,685	1,529,365	567,049	433,802	366,005	634,846		
10 Financial guaranty	62	-36	-27	53	1,835	2,062	-174		
11 Medical malpractice	23,365	-95,710	-52,079	-20,266	415,889	324,221	71,402		
12 Earthquake	1,171	2,823	1,286	2,708	19,914	20,795	1,827		
13 Group A & H	557,628	471,590	132,159	897,060	186,667	171,362	912,365		
14 Credit A & H	4,142	0	973	3,169	3,761	4,678	2,252		
15 Other A & H	572,275	44,712	84,543	532,443	531,358	477,327	586,475		
16 Worker's comp	2,227,649	4,063,396	3,196,260	3,094,784	13,968,997	12,280,107	4,783,675		
17 Other liability	1,941,101	2,894,491	2,285,505	2,550,087	10,980,810	10,148,490	3,548,145		
18 Products liability	337,383	-70,687	-39,096	305,792	2,502,279	2,692,846	115,225		
19 Auto liability	25,934,461	15,365,777	10,011,241	31,288,998	40,642,086	39,225,789	32,705,295		
21 Auto phys. damage	17,351,253	8,788,890	5,220,655	20,919,488	2,112,039	1,974,139	21,057,389		
22 Aircraft	215,251	220,403	354,423	81,230	261,870	264,026	79,074		
23 Fidelity	23,516	63,912	20,251	67,176	122,274	127,013	62,437		
24 Surety	74,284	-45,136	1,824	27,324	280,599	136,188	171,735		
26 Burglary + theft	1,914	-2,956	-1,157	116	5,863	7,113	-1,134		
27 Boiler and machinery	9,219	41,586	44,210	6,595	40,056	30,765	15,885		
28 Credit	9,218	-6,626	-449	3,040	4,914	297	7,657		
29 International	19,299	-139,236	-99,562	-20,375	137,941	104,988	12,579		
30 Reinsurance	0	1,928,152	-584,286	2,512,438	2,449,403	1,165,224	3,796,617		
31 Miscellaneous	19,096	75,888	46,706	48,277	8,826	5,907	51,196		
32 TOTALS	64,499,795	47,767,819	36,084,637	76,182,977	86,586,605	78,303,483	84,631,836		

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - LOSSES PAID AND INCURRED

	Losses Paid Less Salvage			Net Losses Unpaid Current Year		Net Losses Unpaid Previous Year		Losses Incurred Current Year	
	Direct Business	Reinsurance Assumed	Reinsurance Ceded	Net Payments	Unpaid Current Year	Unpaid Previous Year	Unpaid Current Year	Unpaid Previous Year	Incurred Current Year
1 Fire	478,892	826,862	731,391	574,364	438,875	352,338	660,901	352,338	660,901
2 Allied lines	3,601,819	1,185,853	4,205,823	581,849	516,180	330,804	767,225	330,804	767,225
3 Farmowners	113,962	79,241	72,718	120,485	88,657	70,309	138,833	70,309	138,833
4 Homeowners	8,046,556	8,706,954	7,084,094	9,669,416	5,719,049	3,820,033	11,568,432	3,820,033	11,568,432
5 Comm multi peril	2,894,842	3,369,069	3,116,097	3,147,814	5,700,862	4,978,132	3,870,543	4,978,132	3,870,543
6 Mortgage guaranty	0	0	0	0	0	404	-404	404	-404
8 Ocean marine	186,700	264,104	350,485	100,319	233,789	167,546	166,561	167,546	166,561
9 Inland marine	1,652,388	930,943	1,923,851	659,480	476,403	375,124	760,759	375,124	760,759
10 Financial guaranty	62	-36	-27	53	1,837	2,061	-172	2,061	-172
11 Medical malpractice	39,954	-96,016	-54,449	-1,613	501,418	422,802	77,003	422,802	77,003
12 Earthquake	1,732	2,819	1,831	2,720	20,064	20,927	1,858	20,927	1,858
13 Group A & H	584,856	471,668	159,387	897,137	187,038	171,750	912,425	171,750	912,425
14 Credit A & H	4,142	0	973	3,169	3,761	4,678	2,252	4,678	2,252
15 Other A & H	572,760	45,735	85,296	533,200	530,780	477,964	586,015	477,964	586,015
16 Worker's comp	3,128,073	4,974,505	4,488,775	3,613,803	17,523,622	15,174,260	5,963,165	15,174,260	5,963,165
17 Other liability	2,382,413	3,067,075	2,790,586	2,658,901	13,098,363	11,956,478	3,966,524	11,956,478	3,966,524
18 Products liability	393,469	-35,510	18,760	339,198	2,752,050	2,968,304	122,944	2,968,304	122,944
19 Auto liability	27,292,634	16,094,380	11,576,566	31,810,447	42,089,789	40,426,759	33,473,477	40,426,759	33,473,477
21 Auto phys. damage	18,006,445	9,191,011	6,010,901	21,186,555	2,100,561	1,978,066	21,309,050	1,978,066	21,309,050
22 Aircraft	249,880	246,526	410,257	86,149	274,142	282,999	77,293	282,999	77,293
23 Fidelity	39,635	72,343	35,642	76,336	141,454	145,078	72,713	145,078	72,713
24 Surety	105,557	-54,982	22,332	28,243	333,747	175,652	186,339	175,652	186,339
26 Burglary + theft	2,272	-2,982	-1,015	305	9,675	10,583	-604	10,583	-604
27 Boiler and machinery	14,170	41,635	45,438	10,367	45,176	35,152	20,391	35,152	20,391
28 Credit	9,218	-6,626	-449	3,040	5,200	583	7,657	583	7,657
29 International	19,299	-120,413	-88,399	-12,714	164,430	143,154	8,563	143,154	8,563
30 Reinsurance	0	2,206,470	-404,702	2,611,171	2,903,253	1,698,878	3,815,547	1,698,878	3,815,547
31 Miscellaneous	19,096	75,888	46,706	48,277	8,826	5,907	51,196	5,907	51,196
32 TOTALS	69,840,825	51,536,514	42,628,867	78,748,472	95,869,002	86,196,725	88,586,488	86,196,725	88,586,488

2005 NORTH CAROLINA PRIVATE PASSENGER AUTOMOBILE INSURANCE (a)			
	Liability (19.1)	Liability (19.2)	Physical Damage (21.1)
Written Premium	-15	2,155,032,359	1,763,768,932
Earned Premium	-10	2,155,501,460	1,743,234,141
Dividends	0	4,728,903	4,012,405
Unearned Prem Reserves	-6	590,413,355	495,477,790
Losses Paid	1759	1,433,248,688	863,216,406
Losses Incurred	7771	1,491,465,361	856,346,408
Losses Unpaid	9774	1,363,207,748	78,111,928
Alloc. Adj. Exp. Paid	0	33,400,750	1,837,603
Alloc Adj. Exp. Incurred	-949	38,764,977	1,138,744
Alloc. Adj. Exp. Unpaid	-284	134,298,324	3,444,562
Commissions	0	216,905,243	179,927,857
Taxes	-178301	49,001,628	39,580,327

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

NORTH CAROLINA
COMPARISON OF ANNUAL STATEMENT AND FILING INFORMATION

LIABILITY

<u>Year</u>	<u>Annual Statement</u>		<u>Filing</u>	
	<u>Losses</u>	<u>Premium</u>	<u>Losses</u>	<u>Premium</u>
2003	1,501,859,410	2,101,843,329	172,550,632	256,054,666
2004	1,598,924,786	2,119,188,172	176,789,567	268,968,378
2005	1,575,388,913	2,268,296,335	172,083,107	271,216,514

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	10/1/2004 Implementation	10/1/2005 Implementation	10/1/2006 Implementation
Bodily Injury	.778	.772	.721
Property Damage	.792	.772	.756
Medical Payments	.818	.766	.783
	1/1/2005 Implementation	10/1/2005 Implementation	10/1/2006 Implementation
Motorcycle Liability	.557	.771	.729

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>
12/31/2003	85,650,922	10,245,344	1.022	98,005,984
12/31/2004	75,733,921	22,027,399	1.066	104,213,567
12/31/2005	42,553,324	44,188,672	1.167	101,227,909

<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>
12/31/2003	10,693,502	0.995	1.160	109,920,416
12/31/2004	10,869,388	1.008	1.127	117,297,076
12/31/2005	11,407,173	1.012	1.094	114,922,091

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>
12/31/2003	75,161,800	116,967	1.001	75,354,046
12/31/2004	72,199,932	262,851	1.004	72,752,634
12/31/2005	71,486,757	1,941,223	1.021	74,969,968

<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>
12/31/2003	9,605,064	0.970	1.160	84,235,299
12/31/2004	9,116,974	0.996	1.127	82,736,453
12/31/2005	9,110,094	1.000	1.094	84,936,411

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>
12/31/2003	7,542,695	20,537	1.011	7,646,428
12/31/2004	7,909,782	125,577	1.025	8,236,243
12/31/2005	6,694,715	941,441	1.085	8,285,229

<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>
12/31/2003	910,315	0.941	1.160	8,251,254
12/31/2004	931,500	0.964	1.127	8,989,539
12/31/2005	1,061,333	0.967	1.094	9,172,915

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

The following pages F-21-32 contain North Carolina private passenger data by territory for years ended December 31, 2003, 2004, and 2005.

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

See also pages C-7-8.

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2003	100420	11535021	7071637	1724668	1257	5626	1.25	70.42
	2004	104579	12761533	7420737	1273878	1349	5501	1.29	70.96
	2005	108398	13401505	6262609	1102945	1435	4364	1.32	57.77
	Total	313397	37718059	20754983	4101491	4041	5136	1.29	66.23
13 Durham	2003	129876	23049423	14665664	1851728	2369	6191	1.82	112.92
	2004	132386	24634458	14579346	2775602	2421	6022	1.83	110.13
	2005	134743	25138672	12976331	1496344	2509	5172	1.86	96.30
	Total	397005	72822553	42221341	6123674	7299	5785	1.84	106.35
14 Greensboro-Hamilton Lakes	2003	144903	23797402	15066538	2208272	2672	5639	1.84	103.98
	2004	148052	26248022	15393153	3053633	2641	5829	1.78	103.97
	2005	149344	26533214	12920781	1534138	2483	5204	1.66	86.52
	Total	442299	76578638	43380472	6796043	7796	5564	1.76	98.08
15 High Point	2003	48528	8696455	5671544	684627	967	5865	1.99	116.87
	2004	49717	9390477	5764910	1273486	1048	5501	2.11	115.95
	2005	50152	9465136	5117881	804411	968	5287	1.93	102.05
	Total	148397	27552068	16554335	2762524	2983	5550	2.01	111.55
16 Raleigh	2003	346897	55350027	33447539	7213893	5411	6181	1.56	96.42
	2004	363562	60904301	35364639	6650932	5733	6169	1.58	97.27
	2005	376940	63146658	33974840	6616796	5869	5789	1.56	90.13
	Total	1087399	179410386	102787018	20481621	17013	6042	1.56	94.53

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2003	126497	23671457	15813690	2423638	2361	6698	1.87	125.01
	2004	133271	26512928	15480808	3072458	2510	6168	1.88	116.16
	2005	140682	28160908	14686646	2396618	2565	5726	1.82	104.40
	Total	400450	78345293	45981144	7892714	7436	6184	1.86	114.82
18 Winston-Salem	2003	150602	20294564	12736690	2183869	2220	5737	1.47	84.57
	2004	152631	21815395	13214655	3326598	2336	5657	1.53	86.58
	2005	155775	22554595	12910548	3044062	2539	5085	1.63	82.88
	Total	459008	64664554	38861893	8554529	7095	5477	1.55	84.66
24 Western Territories	2003	1957862	249167638	150643853	39744374	24202	6224	1.24	76.94
	2004	2000580	268172700	142888120	32161615	24255	5891	1.21	71.42
	2005	2050501	276909295	134482550	27909487	24727	5439	1.21	65.59
	Total	6008943	794249633	428014523	99815476	73184	5848	1.22	71.23
25 Gaston County	2003	128321	19711710	13157891	1901854	2423	5430	1.89	102.54
	2004	131517	21068396	14011400	1671543	2480	5650	1.89	106.54
	2005	134399	21780721	14258683	1733961	2682	5316	2.00	106.09
	Total	394237	62560827	41427974	5307358	7585	5462	1.92	105.08
26 Southern Territories	2003	416073	77059689	55325498	10085274	7495	7382	1.80	132.97
	2004	434660	81926962	55440509	10870899	7633	7263	1.76	127.55
	2005	448906	84905385	46130235	7157356	7385	6246	1.65	102.76
	Total	1299639	243892036	156896242	28113529	22513	6969	1.73	120.72

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2003	273055	47244188	28461557	5527658	4487	6343	1.64	104.23
	2004	287641	50802872	28862942	5467009	4698	6144	1.63	100.34
	2005	302064	53062571	27515703	3622014	4780	5756	1.58	91.09
	Total	862760	151109631	84840202	14616681	13965	6075	1.62	98.34
32 Guilford, Buncombe, etc.	2003	616022	83451233	50151089	11561627	8677	5780	1.41	81.41
	2004	631958	90521070	48983949	10360654	8753	5596	1.39	77.51
	2005	651377	93730379	45595763	8252776	8616	5292	1.32	70.00
	Total	1899357	267702682	144730801	30175057	26046	5557	1.37	76.20
33 Eastern Territories	2003	719119	114733972	72784406	14974472	10349	7033	1.44	101.21
	2004	741113	123345929	72185728	13493386	10693	6751	1.44	97.40
	2005	761271	127156272	64058070	9504195	10715	5978	1.41	84.15
	Total	2221503	365236173	209028204	37972053	31757	6582	1.43	94.09
40 Fayetteville	2003	177660	35655413	22543018	1746357	4154	5427	2.34	126.89
	2004	183632	38310646	23503802	2923463	4301	5465	2.34	127.99
	2005	184448	37088911	22474864	2802783	4206	5344	2.28	121.85
	Total	545740	111054970	68521684	7472603	12661	5412	2.32	125.56
41 Onslow County	2003	94115	17269127	10369677	1013783	1600	6481	1.70	110.18
	2004	98862	18698359	10181557	914675	1594	6387	1.61	102.99
	2005	101390	18156117	9292985	909145	1610	5772	1.59	91.66
	Total	294367	54123603	29844219	2837603	4804	6212	1.63	101.38

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2003	70028	11421843	7423731	758439	1051	7063	1.50	106.01
	2004	72375	12008193	7643667	1459600	1109	6892	1.53	105.61
	2005	73885	12068700	5801825	1061090	1015	5716	1.37	78.53
	Total	216288	35498736	20869223	3279129	3175	6573	1.47	96.49
47 Wayne County	2003	76700	12718716	8746702	2411284	1262	6931	1.65	114.04
	2004	82709	13923734	7991634	1583028	1277	6258	1.54	96.62
	2005	84977	14033154	7835746	1427880	1373	5707	1.62	92.21
	Total	244386	40675604	24574082	5422192	3912	6282	1.60	100.55
51 Mecklenburg County Remainder	2003	51830	7421150	3916675	1238783	763	5133	1.47	75.57
	2004	56267	8189191	3742938	1089298	726	5156	1.29	66.52
	2005	59356	8725760	4631351	629240	867	5342	1.46	78.03
	Total	167453	24336101	12290964	2957321	2356	5217	1.41	73.40
52 Charlotte	2003	413280	77196132	48151047	6246702	9399	5123	2.27	116.51
	2004	424876	82423794	47652159	9446154	9270	5140	2.18	112.16
	2005	441489	85735259	49366304	6107902	9788	5044	2.22	111.82
	Total	1279645	245355185	145169510	21800758	28457	5101	2.22	113.45
Statewide Totals	2003	6041788	919455160	576148446	115501302	93119	6187	1.54	95.36
	2004	6230388	991678960	570306653	112867911	94827	6014	1.52	91.54
	2005	6410097	1021753212	530293715	88113143	96132	5516	1.50	82.73
	Total	18682273	2932887332	1676748814	316482356	284078	5902	1.52	89.75

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2003	100420	13457415	9196907	42826	4247	2166	4.23	91.58
	2004	104579	13783739	9497002	61055	4516	2103	4.32	90.81
	2005	108398	14384088	9633982	88239	4523	2130	4.17	88.88
	Total	313397	41625242	28327891	192120	13286	2132	4.24	90.39
13 Durham	2003	129876	21422942	14788291	39820	6400	2311	4.93	113.86
	2004	132386	21610420	14901520	92987	6496	2294	4.91	112.56
	2005	134743	21949992	14735761	48552	6333	2327	4.70	109.36
	Total	397005	64983354	44425572	181359	19229	2310	4.84	111.90
14 Greensboro-Hamilton Lakes	2003	144903	23700618	16540727	44090	7474	2213	5.16	114.15
	2004	148052	23781313	15607475	82596	7129	2189	4.82	105.42
	2005	149344	23867521	15201846	106714	6976	2179	4.67	101.79
	Total	442299	71349452	47350048	233400	21579	2194	4.88	107.05
15 High Point	2003	48528	7638143	5238503	0	2416	2168	4.98	107.95
	2004	49717	7674532	4987983	43786	2363	2111	4.75	100.33
	2005	50152	7642368	5008648	57684	2306	2172	4.60	99.87
	Total	148397	22955043	15235134	101470	7085	2150	4.77	102.66
16 Raleigh	2003	346897	58740624	38897185	198080	15606	2492	4.50	112.13
	2004	363562	59654971	39960556	186677	16399	2437	4.51	109.91
	2005	376940	61381988	40813825	369609	16711	2442	4.43	108.28
	Total	1087399	179777583	119671566	754366	48716	2457	4.48	110.05

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2003	126497	20292196	13840679	169194	5549	2494	4.39	109.42
	2004	133271	20550954	15094764	112320	6116	2468	4.59	113.26
	2005	140682	21707900	16177464	114288	6365	2542	4.52	114.99
	Total	400450	62551050	45112907	395802	18030	2502	4.50	112.66
18 Winston-Salem	2003	150602	20843041	14388823	81863	6805	2114	4.52	95.54
	2004	152631	20778694	13888827	14829	6955	1997	4.56	91.00
	2005	155775	21303433	14922205	141341	7043	2119	4.52	95.79
	Total	459008	62925168	43199855	238033	20803	2077	4.53	94.12
24 Western Territories	2003	1957862	237343140	154160323	893062	67586	2281	3.45	78.74
	2004	2000580	236451456	149499267	1127229	66720	2241	3.34	74.73
	2005	2050501	242686741	150598131	1385875	66886	2252	3.26	73.44
	Total	6008943	716481337	454257721	3406166	201192	2258	3.35	75.60
25 Gaston County	2003	128321	19359707	12707996	67044	5599	2270	4.36	99.03
	2004	131517	19212215	13075319	99820	5854	2234	4.45	99.42
	2005	134399	19579546	13664667	36864	5966	2290	4.44	101.67
	Total	394237	58151468	39447982	203728	17419	2265	4.42	100.06
26 Southern Territories	2003	416073	53082060	35506270	236094	14681	2419	3.53	85.34
	2004	434660	53579605	35842210	110257	15026	2385	3.46	82.46
	2005	448906	54638597	35296630	148514	15010	2352	3.34	78.63
	Total	1299639	161300262	106645110	494865	44717	2385	3.44	82.06

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2003	273055	39494853	26325517	90090	11187	2353	4.10	96.41
	2004	287641	40167565	26328731	149394	11429	2304	3.97	91.53
	2005	302064	41670762	27965080	300873	12102	2311	4.01	92.58
	Total	862760	121333180	80619328	540357	34718	2322	4.02	93.44
32 Guilford, Buncome, etc.	2003	616022	81048055	52927809	292505	23410	2261	3.80	85.92
	2004	631958	81302609	53152614	307884	23946	2220	3.79	84.11
	2005	651377	83637792	53991388	489129	23609	2287	3.62	82.89
	Total	1899357	245988456	160071811	1089518	70965	2256	3.74	84.28
33 Eastern Territories	2003	719119	84502845	54380275	558439	23372	2327	3.25	75.62
	2004	741113	82842487	56448753	473736	24160	2336	3.26	76.17
	2005	761271	84627936	55962843	395873	23710	2360	3.11	73.51
	Total	2221503	251973268	166791871	1428048	71242	2341	3.21	75.08
40 Fayetteville	2003	177660	28558374	19633487	17570	8556	2295	4.82	110.51
	2004	183632	29149144	21226233	79508	9267	2291	5.05	115.59
	2005	184448	28416142	20373951	49020	8950	2276	4.85	110.46
	Total	545740	86123660	61233671	146098	26773	2287	4.91	112.20
41 Onslow County	2003	94115	15111163	10109621	8527	4247	2380	4.51	107.42
	2004	98862	15278128	10276253	84583	4232	2428	4.28	103.95
	2005	101390	14880558	10714240	113413	4468	2398	4.41	105.67
	Total	294367	45269849	31100114	206523	12947	2402	4.40	105.65

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2003	70028	8521374	6075943	111324	2596	2341	3.71	86.76
	2004	72375	8459059	6197414	72238	2571	2411	3.55	85.63
	2005	73885	8466776	5802333	16356	2576	2252	3.49	78.53
	Total	216288	25447209	18075690	199918	7743	2334	3.58	83.57
47 Wayne County	2003	76700	10079064	6384256	16515	2806	2275	3.66	83.24
	2004	82709	10268008	6610686	10957	2937	2251	3.55	79.93
	2005	84977	10332913	6663600	38245	2964	2248	3.49	78.42
	Total	244386	30679985	19658542	65717	8707	2258	3.56	80.44
51 Mecklenburg County Remainder	2003	51830	7514768	5415239	33046	2271	2385	4.38	104.48
	2004	56267	7893699	5591116	24547	2391	2338	4.25	99.37
	2005	59356	8301812	5999846	40110	2550	2353	4.30	101.08
	Total	167453	23710279	17006201	97703	7212	2358	4.31	101.56
52 Charlotte	2003	413280	73715358	48969987	328459	21495	2278	5.20	118.49
	2004	424876	73970443	49556500	399709	21888	2264	5.15	116.64
	2005	441489	76439688	51771066	322492	22086	2344	5.00	117.26
	Total	1279645	224125489	150297553	1050660	65469	2296	5.12	117.45
Statewide Totals	2003	6041788	824425740	545487838	3228548	236303	2308	3.91	90.29
	2004	6230388	826409041	547743223	3534112	240395	2279	3.86	87.91
	2005	6410097	845916553	555297506	4263191	241134	2303	3.76	86.63
Total	18682273	2496751334	1648528567	11025851	717832	2297	3.84	88.24	

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
11 Asheville	2003	64059	1186489	651574	298365	547	1191	0.85	10.17
	2004	66394	1297422	690422	328367	564	1224	0.85	10.40
	2005	68756	1352443	654972	313328	576	1137	0.84	9.53
	Total	199209	3836354	1996968	940060	1687	1184	0.85	10.02
13 Durham	2003	86033	2322420	1074707	644093	1171	918	1.36	12.49
	2004	87883	2498352	1207024	659365	1148	1051	1.31	13.73
	2005	89503	2556986	1084227	624157	1158	936	1.29	12.11
	Total	263419	7377758	3365958	1927615	3477	968	1.32	12.78
14 Greensboro-Hamilton Lakes	2003	100604	2588066	1592651	726413	1495	1065	1.49	15.83
	2004	101099	2844617	1451527	638884	1323	1097	1.31	14.36
	2005	101710	2859880	1231180	795907	1239	994	1.22	12.10
	Total	303413	8292563	4275358	2161204	4057	1054	1.34	14.09
15 High Point	2003	34635	971736	647633	334557	596	1087	1.72	18.70
	2004	35108	1058214	543751	263791	523	1040	1.49	15.49
	2005	35489	1063372	595986	255099	583	1022	1.64	16.79
	Total	105232	3093322	1787370	853447	1702	1050	1.62	16.99
16 Raleigh	2003	256395	6430182	3854075	1737528	3140	1227	1.22	15.03
	2004	268625	6970847	3629363	1943135	3087	1176	1.15	13.51
	2005	280045	7202661	3588203	1866516	3126	1148	1.12	12.81
	Total	805065	20603690	11071641	5547179	9353	1184	1.16	13.75

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
17 Wilmington	2003	86246	2527356	1721250	727301	1361	1265	1.58	19.96
	2004	89948	2843523	1636011	734594	1269	1289	1.41	18.19
	2005	94635	2992455	1471561	683787	1302	1130	1.38	15.55
	Total	270829	8363334	4828822	2145682	3932	1228	1.45	17.83
18 Winston-Salem	2003	100228	2037460	1259429	554705	1156	1089	1.15	12.57
	2004	101434	2251862	1207783	525759	1118	1080	1.10	11.91
	2005	103778	2323274	1223088	451035	1177	1039	1.13	11.79
	Total	305440	6612596	3690300	1531499	3451	1069	1.13	12.08
24 Western Territories	2003	1491149	29258207	15814488	6757568	16071	984	1.08	10.61
	2004	1518908	31658717	15310819	6368553	14910	1027	0.98	10.08
	2005	1550086	32338586	15076524	6227198	14679	1027	0.95	9.73
	Total	4560143	93255510	46201831	19353319	45660	1012	1.00	10.13
25 Gaston County	2003	88647	2023383	1107610	497515	1174	943	1.32	12.49
	2004	90448	2198817	1219552	480014	1150	1060	1.27	13.48
	2005	91919	2233678	1155641	524941	1206	958	1.31	12.57
	Total	271014	6455878	3482803	1502470	3530	987	1.30	12.85
26 Southern Territories	2003	324381	9078878	6526324	2133851	6029	1082	1.86	20.12
	2004	334894	9782034	6332663	1770013	5786	1094	1.73	18.91
	2005	346635	10047945	5609518	1660140	5255	1067	1.52	16.18
	Total	1005910	28908857	18468505	5564004	17070	1082	1.70	18.36

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
31 Wilson, Rocky Mount, etc.	2003	212131	5645451	3797987	1254019	3347	1135	1.58	17.90
	2004	221490	5949223	3608064	1294246	3219	1121	1.45	16.29
	2005	231063	6164505	3632670	1215594	3271	1111	1.42	15.72
	Total	664684	17759179	11038721	3763859	9837	1122	1.48	16.61
32 Guilford, Buncombe, etc.	2003	462966	9806512	5674711	3097712	5215	1088	1.13	12.26
	2004	473237	10474705	5594968	2610931	5073	1103	1.07	11.82
	2005	484104	10650646	5291341	2206650	4803	1102	0.99	10.93
	Total	1420307	30931863	16561020	7915293	15091	1097	1.06	11.66
33 Eastern Territories	2003	618505	15176165	9790922	3308289	9274	1056	1.50	15.83
	2004	634921	16149717	9680831	3095331	8835	1096	1.39	15.25
	2005	647992	16529366	9083494	2720616	8479	1071	1.31	14.02
	Total	1901418	47855248	28555247	9124236	26588	1074	1.40	15.02
40 Fayetteville	2003	102825	3409228	1991428	1099077	1942	1025	1.89	19.37
	2004	103870	3697281	1800391	964073	1829	984	1.76	17.33
	2005	104013	3634314	1728740	962534	1766	979	1.70	16.62
	Total	310708	10740823	5520559	3025684	5537	997	1.78	17.77
41 Onslow County	2003	55858	1643095	946574	482064	827	1145	1.48	16.95
	2004	58043	1778257	879937	563598	762	1155	1.31	15.16
	2005	60119	1816466	737029	424374	702	1050	1.17	12.26
	Total	174020	5237818	2563540	1470036	2291	1119	1.32	14.73

Notes:

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

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

Territory	Accident Year	Earned Car Years	Collected Earned Premium (2)	Incurred Losses (5)		Claims	Average Claim Cost (4)	Claim Freq. (3)	Pure Prem. (4)
				Basic Limits	Excess Limits				
43 Craven County	2003	54433	1394026	851850	382378	824	1034	1.51	15.65
	2004	56114	1437461	832181	353439	795	1047	1.42	14.83
	2005	57728	1473412	763640	339160	776	984	1.34	13.23
	Total	168275	4304899	2447671	1074977	2395	1022	1.42	14.55
47 Wayne County	2003	60764	1571833	1093237	315745	958	1141	1.58	17.99
	2004	65267	1695122	995362	428680	983	1013	1.51	15.25
	2005	66443	1707996	1013916	361043	1004	1010	1.51	15.26
	Total	192474	4974951	3102515	1105468	2945	1053	1.53	16.12
51 Mecklenburg County Remainder	2003	38937	872897	465627	204294	398	1170	1.02	11.96
	2004	41779	974113	425123	295714	373	1140	0.89	10.18
	2005	44739	1037689	485634	230471	439	1106	0.98	10.85
	Total	125455	2884699	1376384	730479	1210	1138	0.96	10.97
52 Charlotte	2003	269874	7729621	5476698	2365065	4855	1128	1.80	20.29
	2004	279143	8653374	5388285	2886401	4774	1129	1.71	19.30
	2005	290549	9027782	5119998	2683921	4806	1065	1.65	17.62
	Total	839566	25410777	15984981	7935387	14435	1107	1.72	19.04
Statewide Totals	2003	4508670	105673005	64338775	26920539	60380	1066	1.34	14.27
	2004	4628605	114213658	62434057	26204888	57521	1085	1.24	13.49
	2005	4749306	117013456	59547362	24546471	56347	1057	1.19	12.54
	Total	13886581	336900119	186320194	77671898	174248	1069	1.25	13.42

Notes:

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

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

2. CREDIBILITY FACTOR DEVELOPMENT AND APPLICATION

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

Credibility Factor Determination

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

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

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

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

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

CREDIBILITY TABLES BASED
UPON NUMBER OF CLAIMS

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

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

(A) Applied separately by coverage.

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

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

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

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

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

- 3(a) Loss development factor derivation is contained on the following pages F-37-96. In selecting the loss development factor, three and five year straight averages were considered, with the three year factor being selected as the best blend of responsiveness and stability for Bodily Injury, Property Damage and Medical Payments. For basic and total limits incurred Bodily Injury, the three year average for 2001, 2002, and 2004 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>
2001	5,771,345	5,771,345	4,298,407
2002	5,930,356	5,930,356	4,432,231
2003	6,044,390	6,044,390	4,510,582
2004	6,232,788	6,232,788	4,630,354
2005	6,412,337	6,412,337	4,750,908

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY AND CEDED COMBINED

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2001	903,125,321	764,291,602	108,245,538
2002	904,712,755	863,619,934	106,222,665
2003	949,074,847	963,162,094	116,325,170
2004	996,087,008	941,741,264	125,154,360
2005	1,048,792,314	975,014,409	132,197,171

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					508,423,434
1993				516,904,328	535,813,299
1994			505,291,267	553,835,285	575,785,047
1995		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	616,280,688
2002	246,948,525	462,762,209	567,363,065	626,151,877	
2003	254,756,938	492,397,536	598,800,404		
2004	266,628,448	503,870,232			
2005	282,695,085				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.037
1994			1.096	1.040
1995		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	1.041
2002	1.874	1.226	1.104	
2003	1.933	1.216		
2004	1.890			
Five Year Average	1.887	1.220	1.104	1.042
Three Year Average	1.899	1.221	1.107	1.043

	Five Year	Three Year
--	-----------	------------

39 to 63 months:	1.150	1.155
27 to 63 months:	1.403	1.410
15 to 63 months:	2.647	2.678

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
1992					265,932,284
1993				297,022,508	297,338,063
1994			344,744,859	345,687,706	345,929,741
1995		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	517,362,688
2002	509,903,937	529,448,599	532,558,761	534,150,312	
2003	528,534,090	549,681,580	552,343,563		
2004	532,021,733	553,414,856			
2005	552,358,659				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.003	1.001
1995		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	1.001
2002	1.038	1.006	1.003	
2003	1.040	1.005		
2004	1.040			

Five Year Average	1.040	1.005	1.002	1.001
----------------------	-------	-------	-------	-------

Three Year Average	1.039	1.005	1.002	1.000
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
--	-----------	------------

39 to 63 months:	1.003	1.002
27 to 63 months:	1.008	1.007
15 to 63 months:	1.048	1.046

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
1992					71,714,031
1993				74,818,424	75,037,868
1994			78,099,746	78,926,420	79,169,009
1995		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	84,093,567
2002	72,832,848	86,945,509	90,039,406	91,146,242	
2003	73,605,060	89,033,077	91,288,309		
2004	73,160,155	87,355,286			
2005	74,020,498				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.003
1994			1.011	1.003
1995		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	1.004
2002	1.194	1.036	1.012	
2003	1.210	1.025		
2004	1.194			
Five Year Average				
	1.200	1.033	1.014	1.003
Three Year Average				
	1.199	1.033	1.013	1.003
Five Year Three Year				
39 to 63 months:		1.017	1.016	
27 to 63 months:		1.051	1.050	
15 to 63 months:		1.261	1.259	

Losses exclude unallocated loss adjustment expense.

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

See attached Exhibit (3)(d).

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

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

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

Loss Development Factors

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

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Total Limits Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					266,335,799
1993				297,959,120	297,635,265
1994			346,367,649	346,354,513	346,114,290
1995		392,459,681	392,719,031	392,780,992	392,734,006
1996	440,351,973	441,454,775	442,330,336	442,801,982	442,611,518
1997	445,134,254	449,027,076	450,122,589	450,323,753	450,139,184
1998	459,158,210	462,733,971	463,368,820	463,408,859	463,353,715
1999	491,215,772	495,074,602	496,620,194	496,760,747	496,603,613
2000	512,061,856	522,380,676	520,124,759	520,292,907	520,234,996
2001	509,607,662	516,507,961	517,508,923	517,801,842	517,592,358
2002	523,908,951	532,151,212	533,775,479	534,777,466	
2003	542,796,004	551,748,287	553,314,103		
2004	545,709,696	555,915,798			
2005	564,664,269				

Loss Development Factors

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

Full Carriers

Voluntary and Ceded Combined

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

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.004	1.001
1995		1.009	1.006	1.002
1996	1.039	1.011	1.007	1.003
1997	1.043	1.017	1.008	1.001
1998	1.054	1.014	1.007	1.001
1999	1.051	1.013	1.009	1.012
2000	1.053	1.019	1.008	1.000
2001	1.060	1.019	1.007	1.000
2002	1.059	1.016	1.007	
2003	1.070	1.006		
2004	1.047			

Five Year Average	1.058	1.015	1.008	1.003
----------------------	-------	-------	-------	-------

Three Year Average	1.059	1.014	1.007	1.004
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.011	1.011
27 to 63 months:	1.026	1.025
15 to 63 months:	1.086	1.085

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(e).

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

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

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

Loss Development Factors

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

Five Year
Average 1.061 1.025 1.013 1.004

Three Year
Average (b) 1.055 1.029 1.015 1.004

	Five Year	Three Year
39 to 63 months:	1.017	1.019
27 to 63 months:	1.042	1.049
15 to 63 months:	1.106	1.107

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

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

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Bodily Injury Excess Limits(a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					93,221,469
1993				92,786,577	88,883,962
1994			92,655,750	91,041,151	90,152,444
1995		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	121,289,771
2002	66,861,543	93,148,172	101,727,960	104,649,397	
2003	74,401,487	103,801,908	116,615,604		
2004	89,800,192	113,465,743			
2005	88,610,946				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.958
1994			0.983	0.990
1995		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	0.989
2002	1.393	1.092	1.029	
2003	1.395	1.123		
2004	1.264			
Five Year Average	1.389	1.130	1.039	0.998
Three Year Average	1.351	1.117	1.039	0.997

	Five Year	Three Year
39 to 63 months:	1.037	1.036
27 to 63 months:	1.172	1.157
15 to 63 months:	1.628	1.563

(a) Losses are on a 30/60 level for 2002-2005.
Losses are on a 25/50 level for 1992-2001.

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

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

Accident Year	Loss Development Factors			
	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.002	1.000
1995		1.005	1.001	1.000
1996	1.012	1.001	1.001	1.000
1997	1.008	1.002	1.001	1.000
1998	1.008	1.001	1.000	1.000
1999	1.010	1.003	1.001	1.000
2000	1.021	0.996	1.000	1.000
2001	1.015	1.002	1.001	1.000
2002	1.016	1.003	1.002	
2003	1.018	1.005		
2004	1.021			

Five Year Average	1.018	1.002	1.001	1.000
Three Year Average	1.018	1.003	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.003	1.004
15 to 63 months:	1.021	1.022

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Accident Year	Property Damage Excess Limits (a) Incurred Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					15,747,941
1993				7,432,759	7,261,139
1994			4,486,247	3,809,686	3,624,771
1995		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	14,633,561
2002	2,521,015	2,616,537	2,630,144	2,590,768	
2003	5,320,187	4,544,185	3,630,504		
2004	4,930,566	3,571,223			
2005	4,291,787				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.977
1994			0.849	0.951
1995		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	1.002
2002	1.038	1.005	0.985	
2003	0.854	0.799		
2004	0.724			

Five Year Average	0.914	0.959	0.993	0.994
----------------------	-------	-------	-------	-------

Three Year Average	0.872	0.937	0.994	0.998
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	0.987	0.992
27 to 63 months:	0.947	0.930
15 to 63 months:	0.866	0.811

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

Losses exclude unallocated loss adjustment expense.

See attached Exhibit (3)(f).

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

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers	Voluntary and Ceded Combined				
Bodily Injury Paid Claims as of					
Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					66,715
1993				70,726	71,532
1994			79,659	82,174	83,184
1995		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	87,056
2002	60,245	81,132	87,177	90,102	
2003	60,906	82,199	88,117		
2004	61,763	83,136			
2005	62,053				

Claim Development Factors						
Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.		
1993				1.011		
1994			1.032	1.012		
1995		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	1.011		
2002	1.347	1.075	1.034			
2003	1.350	1.072				
2004	1.346					
Five Year Average	1.349	1.073	1.034	1.011		
Three Year Average	1.348	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:		1.512	1.511			

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

and Carriers

Voluntary and Ceded Combined

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					155,474
1993				167,448	167,514
1994			190,762	190,993	191,071
1995		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	222,760
2002	219,946	226,020	226,750	227,188	
2003	230,206	236,407	237,156		
2004	234,927	241,118			
2005	238,818				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.001	1.000
1995		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	1.000
2002	1.028	1.003	1.002	
2003	1.027	1.003		
2004	1.026			
Five Year Average	1.028	1.002	1.001	1.000
Three Year Average	1.027	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.003	1.004	
15 to 63 months:		1.031	1.031	

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					57,334
1993				60,266	60,348
1994			66,053	66,461	66,539
1995		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	59,548
2002	52,732	60,717	61,839	62,274	
2003	51,306	58,999	60,127		
2004	49,281	56,604			
2005	49,575				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.006	1.001
1995		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	1.001
2002	1.151	1.018	1.007	
2003	1.150	1.019		
2004	1.149			
Five Year Average	1.151	1.019	1.007	1.001
Three Year Average	1.150	1.019	1.007	1.001

Five Year Three Year

39 to 63 months:	1.008	1.008
27 to 63 months:	1.027	1.027
15 to 63 months:	1.182	1.181

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

Claim Development Factors

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

Five Year Three Year

39 to 63 months:	0.991	0.991
27 to 63 months:	0.983	0.982
15 to 63 months:	0.950	0.946

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary and Ceded Combined

Property Damage Incurred Claims as of

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

Claim Development Factors

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

Five Year Three Year

39 to 63 months:	1.000	1.000
27 to 63 months:	0.999	1.001
15 to 63 months:	1.008	1.008

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Full Carriers

Voluntary and Ceded Combined

Medical Payments Incurred Claims as of

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

Claim Development Factors

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

Five Year Three Year

39 to 63 months:	1.003	1.003
27 to 63 months:	1.009	1.009
15 to 63 months:	1.026	1.024

See attached Exhibit (3)(g).

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

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Li Carriers

Voluntary and Ceded Combined

Bodily Injury Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1992			
1993			
1994			4,930
1995		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	5,355
2004	37,104	12,216	
2005	34,781		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.439
2004	0.329	
Five Year Average		
	0.333	0.448
Three Year Average		
	0.330	0.443
Five Year Three Year		
27 to 39 months:	0.448	0.443
15 to 39 months:	0.149	0.146

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1992			
1993			
1994			357
1995		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	189
2004	4,601	550	
2005	3,664		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.350
2004	0.120	
Five Year Average		
	0.146	0.384
Three Year Average		
	0.122	0.401
Five Year Three Year		
27 to 39 months:	0.384	0.401
15 to 39 months:	0.056	0.049

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

Carriers

Voluntary and Ceded Combined

Medical Payments Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1992			
1993			
1994			457
1995		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	331
2004	7,611	1,037	
2005	6,947		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.322
2004	0.136	
Five Year Average	0.145	0.346
Three Year Average	0.139	0.344
	Five Year	Three Year
27 to 39 months:	0.346	0.344
15 to 39 months:	0.050	0.048

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>
2001	4,553,865	4,553,865	3,607,614
2002	4,660,842	4,660,842	3,699,155
2003	4,702,282	4,702,282	3,729,677
2004	4,811,157	4,811,157	3,802,307
2005	4,971,011	4,971,011	3,912,220

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2001	1,217,480	1,217,480	690,793
2002	1,269,514	1,269,514	733,076
2003	1,342,108	1,342,108	780,905
2004	1,421,631	1,421,631	828,047
2005	1,441,326	1,441,326	838,688

ESTIMATED EARNED PREMIUM BY COVERAGE

VOLUNTARY ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2001	600,393,101	537,868,414	79,659,931
2002	603,339,789	593,112,925	79,901,772
2003	616,132,326	662,935,691	87,396,102
2004	648,573,541	648,837,980	95,470,311
2005	672,364,782	671,230,271	97,195,216

CEDED ONLY

<u>YEAR</u>	<u>BODILY INJURY</u>	<u>PROPERTY DAMAGE</u>	<u>MEDICAL PAYMENTS</u>
2001	302,732,220	226,423,188	28,585,607
2002	301,372,966	270,507,009	26,320,893
2003	332,942,521	300,226,403	28,929,068
2004	347,513,467	292,903,284	29,684,049
2005	376,427,532	303,784,138	35,001,955

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
1992					311,745,028
1993				316,030,295	329,451,280
1994			296,163,099	327,817,063	343,556,805
1995		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	392,076,769
2002	144,659,219	277,908,596	346,317,622	388,085,630	
2003	144,007,524	290,116,674	357,174,830		
2004	150,070,170	292,864,126			
2005	161,959,557				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.042
1994			1.107	1.048
1995		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	1.050
2002	1.921	1.246	1.121	
2003	2.015	1.231		
2004	1.952			

Five Year Average	1.936	1.243	1.119	1.051
----------------------	-------	-------	-------	-------

Three Year Average	1.963	1.244	1.124	1.052
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.176	1.182
27 to 63 months:	1.462	1.470
15 to 63 months:	2.830	2.886

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Property Damage Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					166,489,638
1993				187,003,802	187,142,154
1994			215,578,679	216,029,312	216,165,173
1995		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	338,637,394
2002	330,325,524	341,696,639	343,743,769	344,754,539	
2003	336,393,949	347,871,948	349,428,023		
2004	336,418,727	347,690,883			
2005	349,176,567				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.002	1.001
1995		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	1.001
2002	1.034	1.006	1.003	
2003	1.034	1.004		
2004	1.034			

Five Year Average	1.036	1.003	1.002	1.001
----------------------	-------	-------	-------	-------

Three Year Average	1.034	1.005	1.002	1.001
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.003	1.003
27 to 63 months:	1.006	1.008
15 to 63 months:	1.042	1.042

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Voluntary Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					48,669,383
1993				50,891,176	51,090,326
1994			52,848,771	53,507,780	53,716,208
1995		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	62,457,064
2002	51,922,666	62,694,663	65,325,155	66,246,138	
2003	52,255,242	64,218,044	66,054,543		
2004	50,890,226	61,429,444			
2005	51,811,123				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.004
1994			1.012	1.004
1995		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	1.004
2002	1.207	1.042	1.014	
2003	1.229	1.029		
2004	1.207			
Five Year Average	1.214	1.038	1.016	1.004
Three Year Average	1.214	1.038	1.016	1.003
		Five Year	Three Year	
39 to 63 months:		1.020	1.019	
27 to 63 months:		1.059	1.058	
15 to 63 months:		1.286	1.284	

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
1992					321,126,705
1993				340,762,907	338,244,071
1994			352,142,906	353,841,908	352,363,980
1995		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	399,848,937
2002	353,667,044	389,313,941	403,078,765	413,871,348	
2003	357,539,084	400,924,950	423,616,821		
2004	381,086,400	413,617,152			
2005	378,466,761				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.993
1994			1.005	0.996
1995		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	1.001
2002	1.101	1.035	1.027	
2003	1.121	1.057		
2004	1.085			
Five Year Average				
	1.103	1.048	1.022	1.004
Three Year Average				
	1.102	1.047	1.025	1.004
		Five Year	Three Year	
39 to 63 months:		1.026	1.029	
27 to 63 months:		1.075	1.077	
15 to 63 months:		1.186	1.187	

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
1992					166,652,641
1993				187,432,571	187,222,148
1994			216,381,905	216,423,305	216,276,852
1995		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	338,806,939
2002	338,996,505	343,527,271	344,531,462	345,219,230	
2003	345,413,531	349,415,194	350,134,574		
2004	344,995,813	349,026,069			
2005	356,699,420				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.000	0.999
1995		1.000	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	1.000
2002	1.013	1.003	1.002	
2003	1.012	1.002		
2004	1.012			
Five Year Average	1.014	1.000	1.000	1.000
Three Year Average	1.012	1.002	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.000	1.001	
27 to 63 months:		1.000	1.003	
15 to 63 months:		1.014	1.015	

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
1992					48,715,791
1993				51,132,691	51,167,927
1994			53,315,956	53,658,630	53,775,408
1995		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	62,553,582
2002	60,543,949	64,654,043	65,892,613	66,491,214	
2003	60,952,465	66,186,274	66,619,913		
2004	60,074,640	62,964,357			
2005	60,033,376				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.006	1.002
1995		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	1.000
2002	1.068	1.019	1.009	
2003	1.086	1.007		
2004	1.048			
Five Year Average	1.066	1.017	1.010	1.004
Three Year Average	1.067	1.017	1.010	1.006
		Five Year	Three Year	
39 to 63 months:		1.014	1.016	
27 to 63 months:		1.031	1.033	
15 to 63 months:		1.099	1.102	

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
1992					247,614,863
1993				263,488,539	264,719,945
1994			279,656,754	282,437,524	281,983,940
1995		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	303,573,316
2002	297,658,702	311,450,105	319,847,860	326,010,865	
2003	295,844,986	316,186,188	327,672,300		
2004	307,303,201	320,585,803			
2005	307,770,192				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.005
1994			1.010	0.998
1995		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	1.007
2002	1.046	1.027	1.019	
2003	1.069	1.036		
2004	1.043			

Five Year Average	1.047	1.027	1.015	1.005
----------------------	-------	-------	-------	-------

Three Year Average	1.053	1.029	1.017	1.006
-----------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.020	1.023
27 to 63 months:	1.048	1.053
15 to 63 months:	1.097	1.109

(a) Losses are on a 30/60 level for 2002-2005.
Losses are on a 25/50 level for 1992-2001.

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
1992					153,699,913
1993				181,513,053	181,409,030
1994			212,908,260	213,555,881	213,535,132
1995		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	329,140,804
2002	337,116,430	341,671,564	342,630,222	343,327,511	
2003	340,874,531	345,542,595	347,175,978		
2004	341,071,267	346,449,762			
2005	353,373,762				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.003	1.000
1995		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	1.000
2002	1.014	1.003	1.002	
2003	1.014	1.005		
2004	1.016			

Five Year Average	1.015	1.001	1.001	1.000
Three Year Average	1.015	1.003	1.001	1.000

	Five Year	Three Year
39 to 63 months:	1.001	1.001
27 to 63 months:	1.002	1.004
15 to 63 months:	1.017	1.019

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					41,187
1993				42,498	42,971
1994			44,983	46,413	47,020
1995		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	51,873
2002	35,848	47,874	51,346	53,077	
2003	35,861	47,815	51,112		
2004	35,604	47,584			
2005	36,122				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.011
1994			1.032	1.013
1995		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	1.012
2002	1.335	1.073	1.034	
2003	1.333	1.069		
2004	1.336			
Five Year Average				
	1.334	1.072	1.035	1.012
Three Year Average				
	1.335	1.072	1.036	1.012
Five Year Three Year				
39 to 63 months:		1.047	1.048	
27 to 63 months:		1.122	1.123	
15 to 63 months:		1.497	1.499	

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
1992					100,951
1993				108,183	108,219
1994			119,170	119,278	119,329
1995		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	145,312
2002	142,112	145,639	146,073	146,305	
2003	142,890	146,241	146,644		
2004	143,403	146,792			
2005	146,065				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.001	1.000
1995		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	1.000
2002	1.025	1.003	1.002	
2003	1.023	1.003		
2004	1.024			
Five Year Average	1.025	1.000	1.001	1.000
Three Year Average	1.024	1.003	1.001	1.000
		Five Year	Three Year	
39 to 63 months:		1.001	1.001	
27 to 63 months:		1.001	1.004	
15 to 63 months:		1.026	1.028	

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
1992					37,777
1993				39,057	39,119
1994			41,013	41,282	41,347
1995		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	39,861
2002	34,276	39,705	40,510	40,813	
2003	33,240	38,284	39,058		
2004	31,189	35,940			
2005	31,063				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.002
1994			1.007	1.002
1995		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	1.001
2002	1.158	1.020	1.007	
2003	1.152	1.020		
2004	1.152			
Five Year Average	1.155	1.021	1.008	1.002
Three Year Average	1.154	1.021	1.008	1.001

Five Year Three Year

39 to 63 months:	1.010	1.009
27 to 63 months:	1.031	1.030
15 to 63 months:	1.191	1.189

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
1992					41,542
1993				43,611	43,339
1994			47,953	47,831	47,488
1995		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	52,285
2002	57,489	55,279	54,650	54,250	
2003	57,432	55,024	54,359		
2004	56,878	54,535			
2005	56,083				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.994
1994			0.997	0.993
1995		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	0.995
2002	0.962	0.989	0.993	
2003	0.958	0.988		
2004	0.959			
Five Year Average	0.959	0.988	0.993	0.994
Three Year Average	0.960	0.989	0.993	0.995

	Five Year	Three Year
39 to 63 months:	0.987	0.988
27 to 63 months:	0.975	0.977
15 to 63 months:	0.935	0.938

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Property Damage Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					100,980
1993				108,262	108,244
1994			119,372	119,348	119,361
1995		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	145,329
2002	145,234	146,083	146,229	146,362	
2003	145,932	146,602	146,767		
2004	146,263	147,078			
2005	148,292				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.000	1.000
1995		1.000	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	1.000
2002	1.006	1.001	1.001	
2003	1.005	1.001		
2004	1.006			
Five Year Average				
	1.007	0.998	1.000	1.000
Three Year Average				
	1.006	1.001	1.000	1.000
Five Year Three Year				
39 to 63 months:		1.000	1.000	
27 to 63 months:		0.998	1.001	
15 to 63 months:		1.005	1.007	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Medical Payments Incurred Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					37,803
1993				39,142	39,139
1994			41,261	41,363	41,377
1995		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	39,881
2002	39,568	40,472	40,791	40,910	
2003	38,088	38,982	39,308		
2004	35,941	36,635			
2005	35,441				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.002	1.000
1995		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	1.000
2002	1.023	1.008	1.003	
2003	1.023	1.008		
2004	1.019			
Five Year Average	1.021	1.007	1.003	0.999
Three Year Average	1.022	1.009	1.003	0.999
		Five Year	Three Year	
39 to 63 months:		1.002	1.002	
27 to 63 months:		1.009	1.011	
15 to 63 months:		1.030	1.033	

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
1992			
1993			
1994			2,970
1995		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	3,247
2004	21,274	6,951	
2005	19,961		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.450
2004	0.327	
Five Year Average	0.340	0.455
Three Year Average	0.334	0.451
	Five Year	Three Year
27 to 39 months:	0.455	0.451
15 to 39 months:	0.155	0.151

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
1992			
1993			
1994			202
1995		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	361	123
2004	2,860	286	
2005	2,227		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.341
2004	0.100	
Five Year Average	0.138	0.355
Three Year Average	0.120	0.350
	Five Year	Three Year
27 to 39 months:	0.355	0.350
15 to 39 months:	0.049	0.042

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Voluntary Only

Accident Year	Medical Payments Outstanding Claims as of		
	15 Months	27 Months	39 Months
1992			
1993			
1994			248
1995		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	250
2004	4,752	695	
2005	4,378		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.358
2004	0.146	
Five Year Average		
	0.150	0.363
Three Year Average		
	0.145	0.361
Five Year		
Three Year		
27 to 39 months:	0.363	0.361
15 to 39 months:	0.054	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
1992					196,678,406
1993				198,049,423	203,458,369
1994			205,915,950	222,465,506	228,576,147
1995		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	224,203,919
2002	102,289,306	184,853,613	221,045,443	238,066,247	
2003	110,749,414	202,280,862	241,625,574		
2004	116,558,278	211,006,106			
2005	120,735,528				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.027
1994			1.080	1.027
1995		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	1.026
2002	1.807	1.196	1.077	
2003	1.826	1.195		
2004	1.810			
Five Year Average	1.821	1.184	1.080	1.028
Three Year Average	1.814	1.188	1.079	1.028
		Five Year	Three Year	
39 to 63 months:		1.110	1.109	
27 to 63 months:		1.314	1.317	
15 to 63 months:		2.393	2.389	

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
1992					99,442,646
1993				108,436,324	108,610,292
1994			127,446,652	127,936,707	128,042,881
1995		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	178,725,294
2002	179,578,413	187,751,960	188,814,992	189,395,773	
2003	192,140,141	201,809,632	202,915,540		
2004	195,603,006	205,723,973			
2005	203,182,092				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.002
1994			1.004	1.001
1995		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	1.001
2002	1.046	1.006	1.003	
2003	1.050	1.005		
2004	1.052			

Five Year Average	1.049	1.007	1.002	1.000
Three Year Average	1.049	1.005	1.002	1.000

	Five Year	Three Year
39 to 63 months:	1.002	1.002
27 to 63 months:	1.009	1.007
15 to 63 months:	1.058	1.056

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
LOSS DEVELOPMENT

1 Carriers

Ceded Only

Accident Year	Medical Payments Total Limits Paid Losses as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					23,044,648
1993				23,586,488	23,604,567
1994			24,870,253	25,028,212	25,054,150
1995		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	21,636,503
2002	20,910,182	24,250,846	24,714,251	24,900,104	
2003	21,349,818	24,815,033	25,233,766		
2004	22,269,929	25,925,842			
2005	22,209,375				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.006	1.001
1995		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	1.003
2002	1.160	1.019	1.008	
2003	1.162	1.017		
2004	1.164			
Five Year Average	1.165	1.019	1.007	1.001
Three Year Average	1.162	1.019	1.007	1.001

	Five Year	Three Year
39 to 63 months:	1.008	1.008
27 to 63 months:	1.027	1.027
15 to 63 months:	1.196	1.193

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
1992					200,780,568
1993				208,487,802	206,916,210
1994			233,088,200	233,331,500	231,454,363
1995		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	235,883,063	235,598,697	235,812,089
1998	206,565,579	219,645,169	222,463,014	224,642,482	224,685,651
1999	205,887,660	218,424,231	222,979,961	225,159,783	225,604,890
2000	196,381,049	215,263,562	220,208,932	222,577,473	222,958,073
2001	201,389,100	218,201,822	224,336,154	227,922,447	227,957,646
2002	215,250,172	236,983,491	247,518,638	248,501,578	
2003	232,679,660	261,971,315	271,616,183		
2004	248,338,211	273,629,061			
2005	244,328,393				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.992
1994			1.001	0.992
1995		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	1.000
2002	1.101	1.044	1.004	
2003	1.126	1.037		
2004	1.102			
Five Year Average	1.102	1.031	1.010	1.001
Three Year Average	1.110	1.036	1.010	1.001
		Five Year	Three Year	
39 to 63 months:		1.011	1.011	
27 to 63 months:		1.042	1.047	
15 to 63 months:		1.148	1.162	

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
1992					99,683,158
1993				108,939,067	108,825,115
1994			128,266,216	128,209,521	128,115,751
1995		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	178,785,419
2002	184,912,446	188,623,941	189,244,017	189,558,236	
2003	197,382,473	202,333,093	203,179,529		
2004	200,713,883	206,889,729			
2005	207,964,849				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.000	0.999
1995		1.002	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	0.999
2002	1.020	1.003	1.002	
2003	1.025	1.004		
2004	1.031			
Five Year Average	1.023	1.004	1.001	1.000
Three Year Average	1.025	1.003	1.001	0.999
		Five Year	Three Year	
39 to 63 months:		1.001	1.000	
27 to 63 months:		1.005	1.003	
15 to 63 months:		1.028	1.028	

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
1992					23,096,970
1993				23,668,349	23,630,626
1994			25,087,010	25,086,747	25,074,544
1995		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	21,655,362
2002	23,863,381	24,721,670	24,918,855	24,949,278	
2003	24,446,885	25,192,828	25,312,065		
2004	25,197,147	26,330,797			
2005	24,696,848				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.998
1994			1.000	1.000
1995		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	1.001
2002	1.036	1.008	1.001	
2003	1.031	1.005		
2004	1.045			

Five Year Average	1.037	1.007	1.002	1.000
----------------------	-------	-------	-------	-------

Three Year Average	1.037	1.006	1.001	1.000
-----------------------	-------	-------	-------	-------

Five Year Three Year

39 to 63 months:	1.002	1.001
27 to 63 months:	1.009	1.007
15 to 63 months:	1.046	1.044

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 LOSS DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Basic Limits(a) Incurred Losses as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					181,070,941
1993				193,651,039	192,223,320
1994			213,987,391	214,862,522	212,876,748
1995		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	202,943,496
2002	204,396,971	221,699,155	229,021,583	231,712,664	
2003	219,972,271	242,908,169	250,945,100		
2004	232,321,218	253,194,667			
2005	226,414,016				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.993
1994			1.004	0.991
1995		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	0.998
2002	1.085	1.033	1.012	
2003	1.104	1.033		
2004	1.090			

Five Year Average 1.081 1.022 1.009 1.001

Three Year Average 1.093 1.028 1.012 1.001

Five Year Three Year

39 to 63 months: 1.010 1.013
 27 to 63 months: 1.032 1.041
 15 to 63 months: 1.116 1.138

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

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

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
1992					96,887,945
1993				107,429,477	107,380,745
1994			127,258,234	127,271,879	127,237,320
1995		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	173,817,993
2002	184,271,506	187,863,111	188,515,113	188,859,187	
2003	196,601,286	201,661,507	202,507,621		
2004	199,707,863	205,894,813			
2005	206,998,720				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.000
1994			1.000	1.000
1995		1.001	1.000	1.000
1996	1.007	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	0.998
2002	1.019	1.003	1.002	
2003	1.026	1.004		
2004	1.031			
Five Year Average	1.023	1.004	1.001	1.000
Three Year Average	1.025	1.003	1.001	0.999

	Five Year	Three Year
39 to 63 months:	1.001	1.000
27 to 63 months:	1.005	1.003
15 to 63 months:	1.028	1.028

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

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

All Carriers

Ceded Only

Bodily Injury Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					25,528
1993				27,910	28,240
1994			34,358	35,440	35,841
1995		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	35,183
2002	24,397	33,258	35,831	37,025	
2003	25,045	34,384	37,005		
2004	26,159	35,552			
2005	25,931				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.012
1994			1.031	1.011
1995		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	1.009
2002	1.363	1.077	1.033	
2003	1.373	1.076		
2004	1.359			
Five Year Average	1.370	1.074	1.033	1.010
Three Year Average	1.365	1.074	1.033	1.009
		Five Year	Three Year	
39 to 63 months:		1.043	1.042	
27 to 63 months:		1.120	1.119	
15 to 63 months:		1.534	1.527	

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Full Carriers

Ceded Only

Property Damage Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					54,523
1993				58,433	58,463
1994			70,752	70,874	70,901
1995		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	77,448
2002	77,834	80,381	80,677	80,883	
2003	87,316	90,166	90,512		
2004	91,524	94,326			
2005	92,753				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.002	1.000
1995		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	1.000
2002	1.033	1.004	1.003	
2003	1.033	1.004		
2004	1.031			
Five Year Average	1.033	1.004	1.002	1.000
Three Year Average	1.032	1.004	1.002	1.000

Five Year

Three Year

39 to 63 months:	1.002	1.002
27 to 63 months:	1.006	1.006
15 to 63 months:	1.039	1.038

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Carriers

Ceded Only

Medical Payments Paid Claims as of

Accident Year	15 Months	27 Months	39 Months	51 Months	63 Months
1992					19,557
1993				20,949	20,969
1994			24,745	24,879	24,890
1995		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	19,687
2002	18,456	21,012	21,329	21,461	
2003	18,066	20,715	21,069		
2004	18,092				
2005	18,512				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				1.001
1994			1.005	1.000
1995		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	1.001
2002	1.138	1.015	1.006	
2003	1.147	1.017		
2004	1.142			
Five Year Average	1.145	1.017	1.005	1.001
Three Year Average	1.142	1.015	1.005	1.001

Five Year Three Year

39 to 63 months:	1.006	1.006
27 to 63 months:	1.023	1.021
15 to 63 months:	1.171	1.166

NORTH CAROLINA
 AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
 CLAIM DEVELOPMENT

Full Carriers

Ceded Only

Accident Year	Bodily Injury Incurred Claims as of				
	15 Months	27 Months	39 Months	51 Months	63 Months
1992					25,770
1993				28,692	28,468
1994			36,311	36,189	36,045
1995		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	35,409
2002	39,356	38,134	37,913	37,765	
2003	40,975	39,387	39,113		
2004	41,989	40,817			
2005	40,751				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.992
1994			0.997	0.996
1995		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	0.995
2002	0.969	0.994	0.996	
2003	0.961	0.993		
2004	0.972			
Five Year Average	0.975	0.997	0.999	0.997
Three Year Average	0.967	0.994	0.998	0.997
		Five Year	Three Year	
39 to 63 months:		0.996	0.995	
27 to 63 months:		0.993	0.989	
15 to 63 months:		0.968	0.956	

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
1992					54,554
1993				58,530	58,493
1994			70,907	70,934	70,917
1995		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	77,459
2002	79,895	80,685	80,821	80,918	
2003	89,550	90,345	90,578		
2004	93,265	94,590			
2005	94,190				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.000	1.000
1995		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	0.998
2002	1.010	1.002	1.001	
2003	1.009	1.003		
2004	1.014			
Five Year Average	1.012	1.002	1.001	1.000
Three Year Average	1.011	1.002	1.000	0.999
		Five Year	Three Year	
39 to 63 months:		1.001	0.999	
27 to 63 months:		1.003	1.001	
15 to 63 months:		1.015	1.012	

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
1992					19,586
1993				21,021	20,992
1994			24,950	24,938	24,913
1995		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	19,698
2002	21,431	21,476	21,482	21,496	
2003	20,948	21,045	21,150		
2004	20,951	21,006			
2005	21,081				

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.999
1994			1.000	0.999
1995		1.005	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	1.000
2002	1.002	1.000	1.001	
2003	1.005	1.005		
2004	1.003			
Five Year Average				
	1.010	1.004	1.002	1.000
Three Year Average				
	1.003	1.002	1.001	1.000
Five Year Three Year				
39 to 63 months:		1.002	1.001	
27 to 63 months:		1.006	1.003	
15 to 63 months:		1.016	1.006	

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
1992			
1993			
1994			1,953
1995		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	2,108
2004	15,830	5,265	
2005	14,820		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.421
2004	0.333	
Five Year Average	0.322	0.437
Three Year Average	0.324	0.429
	Five Year	Three Year
27 to 39 months:	0.437	0.429
15 to 39 months:	0.141	0.139

NORTH CAROLINA
AUTOMOBILE LIABILITY INSURANCE - PRIVATE PASSENGER CARS
CLAIM DEVELOPMENT

All Carriers

Ceded Only

Property Damage Outstanding Claims as of

Accident Year	15 Months	27 Months	39 Months
1992			
1993			
1994			155
1995		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	66
2004	1,741	264	
2005	1,437		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.369
2004	0.152	
Five Year Average	0.160	0.430
Three Year Average	0.127	0.469
	Five Year	Three Year
27 to 39 months:	0.430	0.469
15 to 39 months:	0.069	0.060

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
1992			
1993			
1994			205
1995		435	123
1996	3,422	385	124
1997	3,143	348	152
1998	2,947	504	90
1999	3,031	434	144
2000	2,502	366	109
2001	2,487	350	121
2002	2,975	464	153
2003	2,882	330	81
2004	2,859	342	
2005	2,569		

Claim Development Factors

Accident Year	15-27 Mo.	27-39 Mo.
1993		
1994		
1995		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	0.245
2004	0.120	
Five Year Average	0.136	0.310
Three Year Average	0.130	0.307
	Five Year	Three Year
27 to 39 months:	0.310	0.307
15 to 39 months:	0.042	0.040

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

Responses provided in connection with items (3) (i) and (7) (c) are enclosed
herewith.



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

November 29, 2006

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. The only change to last year's response is the inclusion of an expense-cutting activity that Allstate undertook in 2006.

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.

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

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

Tim Lucas
November 29, 2006
Page 2

Allstate's response to this is that there have been some structural changes in North Carolina, and indeed around the country, to close claims offices. The result of the closing of these claims offices is a reduction in unallocated loss adjustment expenses due to the reduction of staff and elimination of operational expenses incurred at these claims offices. For purposes of ratemaking, Allstate uses a countrywide provision to account for unallocated loss adjustment expenses. Given this, the unallocated loss adjustment expense provision from last year may be slightly overstated. These measures in closing claims offices 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



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@ericinsurance.com

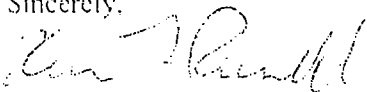
Dec 04, 2006

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

Re: Reserve Strengthening

The Erie Insurance Group began implementing Colossus and the Soft Tissue Evaluation program in 1998-1999 in order to establish more accurate case reserves. We continued with these claims initiatives in 2006, and so the criteria used in North Carolina for establishing case basis reserves for the accident year ending December 31, 2006 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



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

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2007

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

RE: GEICO Indemnity Company- Bureau Letter Asking for Reserve
Strengthening and Expense Control Information

Dear Mr. Lucas:

The GEICO Companies did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at 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.

The criteria used by GEICO Indemnity Company in North Carolina for establishing case basis reserves for the accident year ended December 31, 2005 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,

Bonny Gordon

Bonny Gordon
Senior Counsel
301-986-2653



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

One GEICO Plaza ■ Washington, DC 20076-0001

January 3, 2007

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

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

Dear Mr. Lucas:

The GEICO Companies did not implement any changes that would have a dramatic impact on the expense factors. Expense control is a continuing effort at 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.

The criteria used by Government Employees Insurance Company in North Carolina for establishing case basis reserves for the accident year ended December 31, 2005 have not materially changed over the last five years.

Please let me know if you need anything further.

Very truly yours,

Bonny Gordon

Bonny Gordon
Senior Counsel
301-986-2653

November 20, 2006

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

VIA EMAIL

December 22, 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:

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

We do not have any material expense cutting activities to report.

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

Issue 1 - Change in calendar year 2003

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

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

The average reserve amounts are quite a bit larger (\$7,600 for retained, \$5,100 for ceded) than the previous initial formula reserve amounts (\$3,300). With the formula reserve process, we were spreading the initial average across all claims, including the claims that quickly closed without payment or with a very small payment. Once these zero or small amount claims were settled, the succeeding month formula reserve amounts would increase. Overall, it appears that the early reserves were lower under the new average reserves than under the previous formula reserves, resulting in more upward development as claims were case reserved.

Issue 2 - Change in calendar year 2004

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

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

Sincerely,

A handwritten signature in cursive script that reads "Daniel Myers". The signature is written in black ink and is positioned below the word "Sincerely,".

Daniel Myers
Pricing Manager -
Personal Lines Pricing



**North Carolina
Farm Bureau Insurance Group**

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

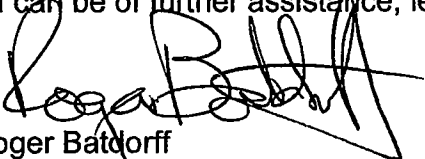
December 18, 2006

RE: North Carolina Farm Bureau Mutual Insurance Company
Insurance Department Regulations
North Carolina Automobile
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.


Roger Batdorff
Senior Executive, A&R & Fin/Inv

RB/cww

RECEIVED
DEC 19 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

January 12, 2007

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

Attention: F. Timothy Lucas

The Progressive Companies have not changed the criteria for establishing case basis reserves for the accident year that will end December 31, 2006 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 three-month intervals. The factors vary by product, coverage and limit again for Bodily Injury and UMBI.

Progressive's actuarial area develops an indication of the needed reserves for North Carolina Bodily Injury (BI) coverage two times each year. During 2005 the North Carolina BI reviews were completed on the Direct, Ceded, and Net business separately. The last review completed in 2006 was for Bodily Injury and included data evaluated through July 31, 2006. As a result of this review, the carried balance of \$34.8 million of direct loss reserves (\$28.6 million ceded & \$6.2 million net) were decreased by approximately \$0.8 million or 2.3% of the carried reserve as we are seeing favorable trends regarding the development of our carried case reserves. The loss reserves for all auto coverages are approximately \$40 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$2.4 million or 6.0%.

Loss Adjusting Expense (LAE) reserves for the Bodily Injury (BI) coverage is reviewed two times a year for the state separately. In the second half of the year we review all other auto coverages in a combined review of 8 states and District of Columbia in Progressive's Mid Atlantic region. The latest review of the BI LAE reserves included data evaluated through October 31, 2006. As a result of this review North Carolina direct BI LAE reserves (both Defense and Cost Containment and Adjusting and all Other Expenses combined) of \$8.1 million were decreased by \$470,000 or 5.8%. The LAE reserves for all coverages for auto are approximately \$10.5 million and total reserve adjustments following reviews during the year amounted to decreasing the carried amount by \$0.5 million or 4.5%.

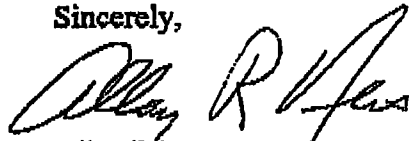
Generally, there has not been a change to Progressive's Objective regarding reserving and the process has been consistent for the past six years in regard to loss reserves while the reviews of LAE reserves have been enhanced in the last few years incorporating more North Carolina specific information 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

December 19, 2006

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 November 7, 2006 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,

A handwritten signature in cursive script that reads "Kathy Popejoy".

Kathy Popejoy
Actuary and Assistant Secretary-Treasurer

KP:kw

HOME OFFICE: BLOOMINGTON, ILLINOIS 61710-0001



9800 Fredericksburg Road
San Antonio, Texas 78288

December 13, 2006

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

ATTENTION: F. Timothy Lucas
Personal Lines Manager

REFERENCE: United Services Automobile Association - NAIC #200-25941
USAA Casualty Insurance Company - NAIC #200-2596

Insurance Department Regulations
Reserve Strengthening and Expense Cutting Activities

Dear Mr. Lucas:

In response to your letter dated November 7, 2006, we are furnishing the following statements with respect to Reserve Strengthening and Expense Cutting Activities at United Services Automobile Association (USAA) and USAA-Casualty Insurance Company (USAA-CIC) over the past five years.

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

The criteria used by USAA and USAA-CIC for establishing case basis reserves for the accident year ended December 31, 2005, have not changed materially from those used over the previous 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 our 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
- Legal Expense Study
- Expanded use of Legal PPO (Preferred Providers)



9800 Fredericksburg Road
San Antonio, Texas 78288

- Claims Assignment and Digital Photo
- Claims Operational System
- Claims Image
- Claims documentatio/On-line Procedures
- Common Hardware Platform (Auto, Property & Casualty)
- Emergency Roadside Assiat (ASI Alliance Partner)
- 24-Hour Contact
- Grow Your Own rogram (training Appraisers to conduct adjusting functions)
- Subrogation Center of Excellence
- Total Loss Center of Excellence
- Global Call Routing
- Elimination of staff Casualty Field Adjusters in North Carolina
- Restructuring of Independent Adjuster Utilization
- Restructuring of Auto Physical Damage manager and Specialist positions
- Streamlined Auto Quote and Bind Online
- Online Document Delivery

While these programs have helped to contain costs, they would not distort historical expense levels for use in projecting expense levels for the year beginning January 1, 2007.

If there are any questions, you may contact me at (800) 531-8722, extension 8-5466, or by electronic mail at edwin.taylor@usaa.com. My facismile number is (866) 358-3643.

Sincerely,

A handwritten signature in cursive script that reads "E. W. Taylor".

Edwin Taylor
Compliance Analyst
Insurance Regulatory Compliance



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

December 22, 2006

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.

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

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)	3.5%	-3.0%	0.4%
Bodily Injury (T/L)	3.5%		
Property Damage	2.0%	-2.0%	0.0%
Medical Payments	3.0%	-4.0%	-1.1%

Expense Trend 3.0%

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2003 and 2004

	(1) Calendar Year	(2) Claim Cost Change (a)	(3) Claim Frequency Change (b)	(4) Current Cost Factor (c)	(5) 2005 Trend Factor	(6) Annualized Trend (d)
Bodily Injury	2003	1.057	0.928	0.981	1.004	0.999
	2004	1.043	0.953	0.994	1.004	1.002
	2005	1.000	1.000	1.000	1.004	1.004
Property Damage	2003	1.000	0.969	0.969	1.000	0.994
	2004	1.013	0.982	0.995	1.000	0.999
	2005	1.000	1.000	1.000	1.000	1.000
Medical Payments	2003	1.071	0.910	0.975	0.989	0.988
	2004	1.020	0.976	0.996	0.989	0.991
	2005	1.000	1.000	1.000	0.989	0.989

(a) 2003 Claim Cost Change = (2005 Claim Cost) / (2003 Claim Cost).
2004 Claim Cost Change = (2005 Claim Cost) / (2004 Claim Cost).

(b) 2003 Claim Frequency Change = (2005 Claim Frequency) / (2003 Claim Frequency). 2004 Claim Frequency Change = (2005 Claim Frequency) / (2004 Claim Frequency).

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

(d) Annualized Trend for 2003 and 2004

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

where m is the number of years of projection of the 2005 trend factor from 7/1/2005 to 7/12/2008, 3.03, Col (4) represents the Current Cost Factor to 7/1/2005, and n represents the number of years of projection for a given prior year, 4.03 for 2004 and 5.03 for 2003.

NORTH CAROLINA

PRIVATE PASSENGER AUTOMOBILE INSURANCE

Development of Annualized Trend
for 2003 and 2004

Coverage	(1) Year Ended	(2) Paid Claim Cost (a)	(3) Claim Frequency (b)
Bodily Injury	2003	\$ 6,330	1.53
	2004	6,417	1.49
	2005	6,693	1.42
Property Damage	2003	\$ 2,579	3.91
	2004	2,545	3.86
	2005	2,578	3.79
Medical Payments	2003	\$ 1,644	1.34
	2004	1,727	1.25
	2005	1,761	1.22

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

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

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	NO. OF CLAIMS ARISING	PAID LOSSES	PAID 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
3/2001	805,453	9,283	13,894	69,122,633	1.15		7,446		85.82		1.72	
6/2001	795,011	8,843	13,846	63,084,536	1.11		7,134		79.35		1.74	
9/2001	809,912	8,735	13,613	65,512,421	1.08		7,500		80.89		1.68	
12/2001	800,686	9,846	15,406	73,832,417	1.23		7,499		92.21		1.92	
3/2002	825,590	9,199	13,849	68,074,966	1.11	-3.5	7,400	-0.6	82.46	-3.9	1.68	-2.3
6/2002	811,763	9,385	14,262	68,102,954	1.16	4.5	7,257	1.7	83.90	5.7	1.76	1.1
9/2002	838,317	9,464	14,904	70,287,498	1.13	4.6	7,427	-1.0	83.84	3.6	1.78	6.0
12/2002	819,089	9,922	15,668	72,680,196	1.21	-1.6	7,325	-2.3	88.73	-3.8	1.91	-0.5
3/2003	873,906	10,228	15,285	73,805,747	1.17	5.4	7,216	-2.5	84.46	2.4	1.75	4.2
6/2003	855,596	10,284	16,917	78,296,920	1.20	3.4	7,613	4.9	91.51	9.1	1.98	12.5
9/2003	887,083	10,395	16,809	78,524,262	1.17	3.5	7,554	1.7	88.52	5.6	1.89	6.2
12/2003	878,810	11,236	17,323	85,301,765	1.28	5.8	7,599	3.7	97.07	9.4	1.97	3.1
3/2004	900,941	10,103	15,560	77,312,219	1.12	-4.3	7,652	6.0	85.81	1.6	1.73	-1.1
6/2004	886,614	10,154	16,489	80,189,729	1.15	-4.2	7,897	3.7	90.44	-1.2	1.86	-6.1
9/2004	918,048	10,379	16,811	88,003,150	1.13	-3.4	8,479	12.2	95.86	8.3	1.83	-3.2
12/2004	904,395	10,908	17,709	85,624,227	1.21	-5.5	7,850	3.3	94.68	-2.5	1.96	-0.5
3/2005	930,668	10,156	15,627	81,768,092	1.09	-2.7	8,051	5.2	87.86	2.4	1.68	-2.9
6/2005	913,706	10,840	16,902	84,232,115	1.19	3.5	7,770	-1.6	92.19	1.9	1.85	-0.5
9/2005	948,029	10,562	15,538	86,078,084	1.11	-1.8	8,150	-3.9	90.80	-5.3	1.64	-10.4
12/2005	947,490	10,932	16,770	90,392,766	1.15	-5.0	8,269	5.3	95.40	0.8	1.77	-9.7
3/2006	967,782	10,499	15,995	87,961,369	1.08	-0.9	8,378	4.1	90.89	3.4	1.65	-1.8
6/2006	967,050	10,267	16,076	85,943,517	1.06	-10.9	8,371	7.7	88.87	-3.6	1.66	-10.3
9/2006	978,778	9,931	15,558	100,657,442	1.01	-9.0	10,136	24.4	102.84	13.3	1.59	-3.0
4 QTRS ENDING												
12/2001	3,211,062	36,707	56,759	271,552,007	1.14		7,398		84.57		1.77	
3/2002	3,231,199	36,623	56,714	270,504,340	1.13		7,386		83.72		1.76	
6/2002	3,247,951	37,165	57,130	275,522,758	1.14		7,414		84.83		1.76	
9/2002	3,276,356	37,894	58,421	280,297,835	1.16		7,397		85.55		1.78	
12/2002	3,294,759	37,970	58,683	279,145,614	1.15	0.9	7,352	-0.6	84.72	0.2	1.78	0.6
3/2003	3,343,075	38,999	60,119	284,876,395	1.17	3.5	7,305	-1.1	85.21	1.8	1.80	2.3
6/2003	3,386,908	39,898	62,774	295,070,361	1.18	3.5	7,396	-0.2	87.12	2.7	1.85	5.1
9/2003	3,435,674	40,829	64,679	303,307,125	1.19	2.6	7,429	0.4	88.28	3.2	1.88	5.6
12/2003	3,495,395	42,133	66,334	315,928,694	1.21	5.2	7,498	2.0	90.38	6.7	1.90	6.7
3/2004	3,522,430	42,008	66,609	319,435,166	1.19	1.7	7,604	4.1	90.69	6.4	1.89	5.0
6/2004	3,553,448	41,878	66,181	321,327,975	1.18	0.0	7,673	3.7	90.43	3.8	1.86	0.5
9/2004	3,584,413	41,862	66,183	330,806,863	1.17	-1.7	7,902	6.4	92.29	4.5	1.85	-1.6
12/2004	3,609,998	41,544	66,569	331,129,325	1.15	-5.0	7,971	6.3	91.73	4.5	1.84	-3.2
3/2005	3,639,725	41,597	66,636	335,585,198	1.14	-4.2	8,068	6.1	92.20	1.7	1.83	-3.2
6/2005	3,666,817	42,283	67,049	339,627,584	1.15	-2.5	8,032	4.7	92.62	2.4	1.83	-1.6
9/2005	3,696,798	42,466	65,776	337,702,518	1.15	-1.7	7,952	0.6	91.35	-1.0	1.78	-3.8
12/2005	3,739,893	42,460	64,837	342,471,057	1.14	-0.9	8,060	1.1	91.57	-0.2	1.73	-6.0
3/2006	3,777,007	42,833	65,205	348,664,334	1.13	-0.9	8,140	0.9	92.31	0.1	1.73	-5.5
6/2006	3,830,351	42,260	64,379	350,375,736	1.10	-4.3	8,291	3.2	91.47	-1.2	1.68	-8.2
9/2006	3,861,100	41,629	64,399	364,955,094	1.08	-6.1	8,767	10.2	94.52	3.5	1.67	-6.2
ANNUAL RATE OF CHANGE (20 PT.)					-0.8		3.2		2.4		-0.8	
ANNUAL RATE OF CHANGE (12 PT.)					-3.3		4.3		0.9		-4.7	
ANNUAL RATE OF CHANGE (9 PT.)					-3.1		3.8		0.5		-5.5	
ANNUAL RATE OF CHANGE (6 PT.)					-5.1		6.8		1.3		-7.0	

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED SEPTEMBER 2006

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	3.9%	4.3%	4.3%
12 points	4.0%	4.2%	4.3%
9 points	3.6%	3.8%	3.8%
6 points	6.4%	6.6%	6.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.5%	-2.3%	-2.3%
12 points	-3.5%	-3.3%	-3.3%
9 points	-3.3%	-3.2%	-3.1%
6 points	-5.4%	-5.2%	-5.1%

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	1.2%	1.3%	1.3%
12 points	1.6%	1.6%	1.6%
9 points	2.2%	2.3%	2.3%
6 points	3.2%	3.3%	3.3%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-1.3%	-1.2%	-1.2%
12 points	-2.8%	-2.7%	-2.7%
9 points	-4.0%	-3.8%	-3.8%
6 points	-6.2%	-6.0%	-5.8%

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

NORTH CAROLINA BODILY INJURY

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.95	0.95
12 points	0.91	0.91
9 points	0.79	0.80
6 points	0.86	0.86

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.87	-0.87
12 points	-0.95	-0.95
9 points	-0.88	-0.88
6 points	-0.95	-0.94

NORTH CAROLINA PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.87	0.87
12 points	0.88	0.88
9 points	0.92	0.92
6 points	0.93	0.93

FREQ	STRAIGHT LINE	EXPONENTIAL
15 points	-0.54	-0.55
12 points	-0.89	-0.88
9 points	-0.93	-0.93
6 points	-0.98	-0.98

QTR YEAR	EARNED CAR YEARS	NO. OF CLAIMS		PAID LOSSES	PAID CLAIMS	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		PCT. CHANGE FROM SAME QTR PRIOR YEAR
		PAID	ARISING				FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR		FROM SAME QTR PRIOR YEAR	FROM SAME QTR PRIOR YEAR				
3/2001	18,218,980	222,440	321,302	1,852,433,191	1.22	8,328	101.68	1.76	1.76						
6/2001	18,331,020	217,969	320,031	1,894,388,928	1.19	8,691	103.34	1.75	1.75						
9/2001	18,514,968	213,299	316,164	1,856,963,747	1.15	8,706	100.30	1.71	1.71						
12/2001	18,531,799	228,545	337,942	2,019,206,752	1.23	8,835	108.96	1.82	1.82						
3/2002	18,636,556	216,935	318,598	1,862,664,469	1.16	8,586	99.95	-1.7	1.71						
6/2002	18,733,110	217,446	327,259	1,953,708,535	1.16	8,985	104.29	0.9	1.75						
9/2002	18,850,418	212,666	320,860	1,926,126,229	1.13	9,057	102.18	1.9	1.70						
12/2002	18,681,965	219,913	327,484	2,022,897,951	1.18	9,199	108.28	-0.6	1.75						
3/2003	18,700,509	213,541	309,486	1,923,845,791	1.14	9,009	102.88	2.9	1.65						
6/2003	18,762,839	214,917	312,877	2,029,019,022	1.15	9,441	108.14	3.7	1.67						
9/2003	18,924,908	211,293	315,262	1,999,909,309	1.12	9,465	105.68	3.4	1.67						
12/2003	18,879,639	221,295	321,936	2,079,469,271	1.17	9,192	110.14	1.7	1.71						
3/2004	18,916,095	218,070	303,170	2,004,405,213	1.15	9,693	105.96	3.0	1.60						
6/2004	19,036,075	213,776	306,837	2,072,166,670	1.12	9,811	106.88	2.7	1.61						
9/2004	19,244,406	209,640	306,571	2,056,831,518	1.09	9,887	106.88	1.1	1.59						
12/2004	19,213,638	214,525	314,873	2,121,110,886	1.12	9,554	110.40	0.2	1.64						
3/2005	19,323,531	209,338	297,889	2,000,069,206	1.08	9,554	103.50	-2.3	1.54						
6/2005	19,472,987	209,001	304,365	2,072,975,603	1.07	9,918	106.45	2.3	1.56						
9/2005	19,719,671	203,669	294,897	2,046,672,593	1.03	10,049	103.79	-2.9	1.50						
12/2005	19,732,790	203,106	301,245	2,056,032,916	1.03	10,123	104.19	-5.6	1.53						
3/2006	19,780,873	204,324	291,887	2,055,835,372	1.03	10,062	103.93	0.4	1.48						
6/2006	19,945,316	203,384	288,206	2,082,092,511	1.02	10,237	104.39	-1.9	1.44						
9/2006	20,061,261	198,889	281,618	2,084,398,995	0.99	10,480	103.90	0.1	1.40						

4 QTRS ENDING

12/2001	73,596,767	882,253	1295439	7,622,992,618	1.20	8,640	103.58	1.76	1.76
3/2002	74,014,343	876,748	1292735	7,633,223,896	1.18	8,706	103.13	1.75	1.75
6/2002	74,416,433	876,225	1299963	7,692,543,503	1.18	8,779	103.37	1.75	1.75
9/2002	74,751,883	875,592	1304659	7,761,705,985	1.17	8,865	103.83	1.75	1.75
12/2002	74,902,049	866,960	1294201	7,765,397,184	1.16	8,957	103.67	0.1	1.73
3/2003	74,966,002	863,566	1285089	7,826,578,506	1.15	9,063	104.40	1.2	1.71
6/2003	74,995,731	863,037	1270707	7,901,888,993	1.15	9,177	105.36	1.9	1.69
9/2003	75,070,221	859,664	1265109	7,975,672,073	1.15	9,278	106.24	2.3	1.69
12/2003	75,267,895	863,046	1259561	8,032,243,393	1.14	9,328	106.72	2.9	1.67
3/2004	75,483,481	865,575	1253245	8,112,802,815	1.14	9,435	107.66	3.0	1.66
6/2004	75,756,717	864,434	1247205	8,155,950,463	1.14	9,435	107.66	2.2	1.65
9/2004	76,076,215	862,781	1238514	8,212,872,672	1.13	9,519	107.96	1.6	1.63
12/2004	76,410,214	856,011	1231451	8,254,514,287	1.12	9,643	108.03	1.2	1.61
3/2005	76,817,650	847,279	1226170	8,250,178,280	1.10	9,737	107.40	-0.1	1.60
6/2005	77,254,562	842,504	1223698	8,250,987,213	1.09	9,793	106.80	-0.8	1.58
9/2005	77,729,827	836,533	1212024	8,240,828,288	1.08	9,851	106.02	-1.8	1.56
12/2005	78,248,979	825,114	1198396	8,175,750,318	1.05	9,909	104.48	-3.3	1.53
3/2006	78,706,321	820,100	1192394	8,231,516,484	1.04	10,037	104.59	-2.6	1.51
6/2006	79,178,650	814,483	1176235	8,240,633,392	1.03	10,118	104.08	-2.5	1.49
9/2006	79,520,240	809,703	1162956	8,278,359,794	1.02	10,224	104.10	-1.8	1.46

ANNUAL RATE OF CHANGE (20 PT.)
 ANNUAL RATE OF CHANGE (12 PT.)
 ANNUAL RATE OF CHANGE (9 PT.)
 ANNUAL RATE OF CHANGE (6 PT.)

3.6
-1.4
-5.3
-6.0

0.4
-1.4
-2.2
-2.1

3.6
3.4
3.4
3.6

-3.1
-4.6
-5.3
-5.4

QTR YEAR	EARNED CAR YEARS	NO. OF PAID CLAIMS	PAID LOSSES	PAID CLAIM FREQ.	PCT. CHANGE FROM SAME QTR PRIOR YEAR	AVERAGE LOSS	PCT. CHANGE FROM SAME QTR PRIOR YEAR	PURE PREMIUM	PCT. CHANGE FROM SAME QTR PRIOR YEAR
3/2001	25,290,204	1105072	2,559,418,378	4.37	-5.7	2,316	4.7	101.20	-1.4
6/2001	25,506,138	1015948	2,367,690,327	3.98	-0.5	2,331	3.1	92.83	2.4
9/2001	25,772,800	1001284	2,385,925,618	3.89	1.3	2,383	2.4	92.58	3.8
12/2001	25,812,597	1045191	2,523,318,264	4.05	-1.5	2,414	2.8	97.76	0.3
3/2002	25,996,082	1070348	2,594,861,926	4.12	-1.5	2,424	2.6	99.82	1.2
6/2002	26,186,154	1035845	2,489,292,727	3.96	-3.3	2,403	3.2	95.06	-0.1
9/2002	26,369,934	1038731	2,534,928,092	3.94	-2.8	2,440	2.8	96.13	-0.2
12/2002	26,138,764	1033110	2,563,256,627	3.95	-2.8	2,481	1.3	98.06	-1.7
3/2003	26,163,192	1062328	2,641,866,002	4.06	0.0	2,487	0.3	100.98	0.3
6/2003	26,300,799	1007543	2,498,379,873	3.83	-3.4	2,480	0.1	94.99	-2.4
9/2003	26,519,687	1013980	2,543,553,000	3.82	-3.6	2,508	0.2	95.91	-3.4
12/2003	26,450,589	1014796	2,550,144,621	3.84	-3.0	2,513	1.5	96.41	-2.1
3/2004	26,519,399	1077485	2,687,121,773	4.06	0.3	2,494	2.1	101.33	-1.0
6/2004	26,754,616	999,912	2,481,301,215	3.74	-2.3	2,482	2.7	92.74	2.9
9/2004	27,043,947	997,387	2,506,656,633	3.69	-3.4	2,513	2.7	92.69	2.9
12/2004	26,991,829	999,562	2,548,633,708	3.70	-3.0	2,550	3.7	94.42	-0.4
3/2005	27,126,948	1068621	2,721,872,918	3.94	0.3	2,547	4.3	100.34	0.6
6/2005	27,369,568	1025011	2,612,034,743	3.75	-3.8	2,548	4.0	95.44	-1.6
9/2005	27,694,948	1022635	2,640,378,391	3.69	-5.3	2,582	3.4	95.34	-2.1
12/2005	27,688,969	984,851	2,603,986,178	3.56	-5.4	2,644	3.9	94.04	-0.9
3/2006	27,756,630	1054799	2,802,721,366	3.80	-4.5	2,657	3.7	100.97	0.4
6/2006	28,058,654	995,041	2,636,383,961	3.55	-4.5	2,650	3.4	93.96	-0.9
9/2006	28,226,328	986,035	2,634,116,478	3.49	-4.5	2,671	3.4	93.32	-0.9
4 QTRS ENDING									
12/2001	102381739	4167495	9,836,352,587	4.07		2,360		96.08	
3/2002	103087617	4132771	9,871,796,135	4.01		2,389		95.76	
6/2002	103767633	4152668	9,993,398,535	4.00		2,407		96.31	
9/2002	104364767	4190115	10,142,401,009	4.01		2,421		97.18	
12/2002	104690934	4178034	10,182,339,372	3.99	-2.0	2,437	3.3	97.26	1.2
3/2003	104858044	4170014	10,229,343,448	3.98	-0.7	2,453	2.7	97.55	1.9
6/2003	104972689	4141712	10,238,430,594	3.95	-1.3	2,472	2.7	97.53	1.3
9/2003	105122442	4116961	10,247,055,502	3.92	-2.2	2,489	2.8	97.48	0.3
12/2003	105434267	4098647	10,233,943,496	3.89	-2.5	2,497	2.5	97.06	-0.2
3/2004	105790474	4113804	10,279,199,267	3.89	-2.3	2,499	1.9	97.17	-0.4
6/2004	106244291	4106173	10,262,120,609	3.86	-2.3	2,499	1.1	96.59	-1.0
9/2004	106768551	4089580	10,225,224,242	3.83	-2.3	2,500	0.4	95.77	-1.8
12/2004	107309791	4074346	10,223,713,329	3.80	-2.3	2,509	0.5	95.27	-1.8
3/2005	107917340	4065482	10,258,464,474	3.77	-3.1	2,523	1.0	95.06	-2.2
6/2005	108532292	4090581	10,389,198,002	3.77	-2.3	2,540	1.6	95.72	-0.9
9/2005	109183293	4115829	10,522,919,760	3.77	-1.6	2,557	2.3	96.38	0.6
12/2005	109880433	4101118	10,578,272,230	3.73	-1.8	2,579	2.8	96.27	1.0
3/2006	110510115	4087296	10,659,120,678	3.70	-1.9	2,608	3.4	96.45	1.5
6/2006	111199201	4057326	10,683,469,896	3.65	-3.2	2,633	3.7	96.08	0.4
9/2006	111730581	4020726	10,677,207,983	3.60	-4.5	2,656	3.9	95.56	-0.9
ANNUAL RATE OF CHANGE(20 PT.)				-2.3					-0.2
ANNUAL RATE OF CHANGE(12 PT.)				-2.6					-0.3
ANNUAL RATE OF CHANGE(9 PT.)				-2.7					0.3
ANNUAL RATE OF CHANGE(6 PT.)				-3.8					-0.2

NORTH CAROLINA
FAST TRACK TREND SUMMARY
DATA ENDED SEPTEMBER 2006

MULTISTATE BODILY INJURY

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

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-4.0%	-3.7%	-3.7%
12 points	-5.0%	-4.7%	-4.6%
9 points	-5.7%	-5.4%	-5.3%
6 points	-5.7%	-5.5%	-5.4%

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.0%	2.0%	2.0%
12 points	2.3%	2.3%	2.4%
9 points	3.0%	3.1%	3.2%
6 points	3.6%	3.7%	3.8%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	-2.7%	-2.5%	-2.5%
12 points	-2.7%	-2.6%	-2.6%
9 points	-2.8%	-2.8%	-2.7%
6 points	-3.9%	-3.8%	-3.8%

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

MULTISTATE BODILY INJURY

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

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

MULTISTATE PROPERTY DAMAGE

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.95	0.95
12 points	0.95	0.95
9 points	0.99	0.99
6 points	1.00	1.00

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

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

ALL CARRIERS

(1) YEAR ENDED	(2) PAID LOSSES (A)	(3) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)		(6) PAID LOSSES (A)	(7) PAID CLAIMS	AVERAGE PAID CLAIM COST (A)	
			(4) ACTUAL (2)/(3)	(5) EXPONENTIAL CURVE OF BEST FIT (B)			(8) ACTUAL (6)/(7)	(9) EXPONENTIAL CURVE OF BEST FIT (B)
			<u>BODILY INJURY (25/50 LIMIT)</u>			<u>PROPERTY DAMAGE (TOTAL LIMITS)</u>		
Dec-00								
Mar-01								
Jun-01	\$556,255,404	88,910	6,256	\$6,053.11	\$568,326,527	220,789	\$2,574	\$2,507.37
Sep-01	544,252,163	86,961	6,259	6,103.44	560,981,958	216,929	2,586	2,514.49
Dec-01	550,668,848	87,243	6,312	6,154.18	565,884,857	219,205	2,582	2,521.63
Mar-02	543,022,316	86,006	6,314	6,205.35	563,613,140	217,937	2,586	2,528.79
Jun-02	543,493,514	86,361	6,293	6,256.94	567,429,128	217,704	2,606	2,535.97
Sep-02	559,451,713	88,027	6,355	6,308.96	579,322,461	221,201	2,619	2,543.17
Dec-02	556,366,543	88,191	6,309	6,361.41	579,298,989	220,022	2,633	2,550.40
Mar-03	565,020,444	89,293	6,328	6,414.30	581,408,892	220,483	2,637	2,557.64
Jun-03	570,413,587	89,700	6,359	6,467.62	586,424,418	223,385	2,625	2,564.90
Sep-03	565,972,210	89,902	6,295	6,521.39	596,804,968	228,702	2,610	2,572.18
Dec-03	573,841,787	90,652	6,330	6,575.61	603,332,292	233,932	2,579	2,579.49
Mar-04	574,495,410	90,750	6,331	6,630.28	610,345,508	237,808	2,567	2,586.81
Jun-04	583,598,672	92,124	6,335	6,685.40	616,374,621	241,785	2,549	2,594.16
Sep-04	596,650,627	93,059	6,412	6,740.98	611,829,670	241,271	2,536	2,601.53
Dec-04	599,867,815	93,480	6,417	6,797.03	618,026,531	242,830	2,545	2,608.91
Mar-05	609,805,070	93,785	6,502	6,853.54	623,486,108	244,812	2,547	2,616.32
Jun-05	613,898,574	93,756	6,548	6,910.52	627,701,830	245,340	2,558	2,623.75
Sep-05	615,006,639	93,573	6,572	6,967.97	631,392,047	246,463	2,562	2,631.20
Dec-05	618,555,923	92,422	6,693	7,025.90	624,681,286	242,312	2,578	2,638.67
Mar-06	625,668,252	92,726	6,747	7,084.31	633,714,152	243,605	2,601	2,646.17
Jun-06	627,010,915	92,081	6,809	7,143.21	635,135,768	241,590	2,629	2,653.68
Sep-06	630,725,003	91,156	6,919	7,202.60	641,394,953	240,920	2,662	2,661.22

(10) RATE OF CHANGE IN PAID CLAIM COSTS FOR ANY 12 MONTH INTERVAL ON THE EXPONENTIAL CURVE OF BEST FIT:	BODILY <u>INJURY</u>		PROPERTY <u>DAMAGE</u>
		6-points	4.6%	3.3%
	9-points	3.9%	2.3%
	12-points	3.4%	1.1%
	15-points	2.6%	0.1%

(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)
	<u>BODILY INJURY (25/50 EXCESS)</u>				<u>BODILY INJURY (TOTAL LIMITS)</u>			
Dec-00								
Mar-01								
Jun-01	\$102,998,921	88,910	\$1,158	\$1,435.61	\$659,254,325	88,910	\$7,415	\$7,488.56
Sep-01	102,620,082	86,961	1,180	1,449.66	646,872,245	86,961	7,439	7,553.10
Dec-01	102,846,178	87,243	1,179	1,463.86	653,515,026	87,243	7,491	7,618.19
Mar-02	101,337,938	86,006	1,178	1,478.20	644,360,254	86,006	7,492	7,683.85
Jun-02	105,306,264	86,361	1,219	1,492.67	648,799,778	86,361	7,513	7,750.07
Sep-02	110,778,776	88,027	1,258	1,507.29	670,230,489	88,027	7,614	7,816.86
Dec-02	111,912,691	88,191	1,269	1,522.05	668,279,234	88,191	7,578	7,884.23
Mar-03	112,135,900	89,293	1,256	1,536.95	677,156,344	89,293	7,584	7,952.18
Jun-03	118,382,239	89,700	1,320	1,552.00	688,795,826	89,700	7,679	8,020.72
Sep-03	121,658,543	89,902	1,353	1,567.20	687,630,753	89,902	7,649	8,089.84
Dec-03	131,051,008	90,652	1,446	1,582.55	704,892,795	90,652	7,776	8,159.56
Mar-04	134,559,739	90,750	1,483	1,598.04	709,055,149	90,750	7,813	8,229.88
Jun-04	138,954,559	92,124	1,508	1,613.69	722,553,231	92,124	7,843	8,300.81
Sep-04	148,753,503	93,059	1,598	1,629.50	745,404,130	93,059	8,010	8,372.35
Dec-04	153,190,947	93,480	1,639	1,645.45	753,058,762	93,480	8,056	8,444.51
Mar-05	154,936,653	93,785	1,652	1,661.57	764,741,723	93,785	8,154	8,517.29
Jun-05	150,318,303	93,756	1,603	1,677.84	764,216,877	93,756	8,151	8,590.69
Sep-05	143,301,665	93,573	1,531	1,694.27	758,308,304	93,573	8,104	8,664.73
Dec-05	139,470,110	92,422	1,509	1,710.86	758,026,033	92,422	8,202	8,739.40
Mar-06	144,848,480	92,726	1,562	1,727.61	770,516,732	92,726	8,310	8,814.72
Jun-06	148,324,789	92,081	1,611	1,744.53	775,335,704	92,081	8,420	8,890.69
Sep-06	162,688,484	91,156	1,785	1,761.61	793,413,487	91,156	8,704	8,967.32

(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	8.6%	5.4%
	9-points	1.5%	3.5%
	12-points	4.0%	3.5%
	15-points	7.1%	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 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-00				
Mar-01				
Jun-01	\$91,824,582	61,890	\$1,484	\$1,608.40
Sep-01	91,037,180	60,698	1,500	1,620.60
Dec-01	91,542,525	60,432	1,515	1,632.90
Mar-02	91,900,871	59,806	1,537	1,645.28
Jun-02	93,504,558	59,381	1,575	1,657.77
Sep-02	96,578,258	60,201	1,604	1,670.35
Dec-02	98,212,392	60,813	1,615	1,683.02
Mar-03	100,000,376	61,131	1,636	1,695.79
Jun-03	101,300,464	61,849	1,638	1,708.65
Sep-03	101,293,766	61,994	1,634	1,721.62
Dec-03	100,916,215	61,373	1,644	1,734.68
Mar-04	101,188,032	60,797	1,664	1,747.84
Jun-04	101,290,234	60,494	1,674	1,761.10
Sep-04	102,293,348	59,973	1,706	1,774.46
Dec-04	102,669,582	59,439	1,727	1,787.93
Mar-05	102,281,695	59,012	1,733	1,801.49
Jun-05	102,430,807	58,637	1,747	1,815.16
Sep-05	102,361,907	58,682	1,744	1,828.93
Dec-05	102,342,793	58,108	1,761	1,842.81
Mar-06	103,584,042	58,554	1,769	1,856.79
Jun-06	103,255,744	57,999	1,780	1,870.87
Sep-06	103,045,755	57,381	1,796	1,885.07

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

6-points	2.4%
9-points	2.3%
12-points	3.1%
15-points	3.0%

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

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

ALL CARRIERS

(1)	(2)	(3)	(4)	(5)	(6)
YEAR	EARNED	PAID	PAID	PAID	PAID
<u>ENDED</u>	<u>EXPOSURES</u>	<u>CLAIMS</u>	<u>FREQ</u>	<u>CLAIMS</u>	<u>FREQ</u>
			<u>(2)/(3)</u>		<u>(5)/(3)</u>
		<u>BODILY INJURY</u>		<u>PROPERTY DAMAGE</u>	
Dec-00	5,607,078	89,716	1.6000	222,738	3.9724
Mar-01	5,613,410	89,853	1.6007	222,638	3.9662
Jun-01	5,632,925	88,910	1.5784	220,789	3.9196
Sep-01	5,659,830	86,961	1.5365	216,929	3.8328
Dec-01	5,694,710	87,243	1.5320	219,205	3.8493
Mar-02	5,745,937	86,006	1.4968	217,937	3.7929
Jun-02	5,793,552	86,361	1.4906	217,704	3.7577
Sep-02	5,835,241	88,027	1.5085	221,201	3.7908
Dec-02	5,877,545	88,191	1.5005	220,022	3.7434
Mar-03	5,915,686	89,293	1.5094	220,483	3.7271
Jun-03	5,934,308	89,700	1.5115	223,385	3.7643
Sep-03	5,961,808	89,902	1.5080	228,702	3.8361
Dec-03	5,989,850	90,652	1.5134	233,932	3.9055
Mar-04	6,010,830	90,750	1.5098	237,808	3.9563
Jun-04	6,053,477	92,124	1.5218	241,785	3.9942
Sep-04	6,093,282	93,059	1.5272	241,271	3.9596
Dec-04	6,141,817	93,480	1.5220	242,830	3.9537
Mar-05	6,218,837	93,785	1.5081	244,812	3.9366
Jun-05	6,281,046	93,756	1.4927	245,340	3.9060
Sep-05	6,338,827	93,573	1.4762	246,463	3.8881
Dec-05	6,383,982	92,422	1.4477	242,312	3.7956
Mar-06	6,414,389	92,726	1.4456	243,605	3.7978
Jun-06	6,470,135	92,081	1.4232	241,590	3.7339
Sep-06	6,520,678	91,156	1.3980	240,920	3.6947

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

	<u>B.I.</u>	<u>P.D.</u>
6-points	-4.9%	-4.5%
9-points	-4.4%	-3.6%
12-points	-2.9%	-2.4%
15-points	-2.0%	-0.5%
24-points	-1.5%	-0.2%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

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

ALL CARRIERS

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

MEDICAL PAYMENTS

Dec-00	4,161,268	62,056	1.4913
Mar-01	4,163,025	62,201	1.4941
Jun-01	4,180,255	61,890	1.4805
Sep-01	4,210,357	60,698	1.4416
Dec-01	4,250,272	60,432	1.4218
Mar-02	4,297,069	59,806	1.3918
Jun-02	4,336,083	59,381	1.3695
Sep-02	4,367,037	60,201	1.3785
Dec-02	4,396,899	60,813	1.3831
Mar-03	4,425,191	61,131	1.3814
Jun-03	4,442,063	61,849	1.3923
Sep-03	4,461,749	61,994	1.3895
Dec-03	4,476,419	61,373	1.3710
Mar-04	4,484,561	60,797	1.3557
Jun-04	4,506,517	60,494	1.3424
Sep-04	4,531,697	59,973	1.3234
Dec-04	4,571,206	59,439	1.3003
Mar-05	4,626,198	59,012	1.2756
Jun-05	4,674,159	58,637	1.2545
Sep-05	4,713,558	58,682	1.2450
Dec-05	4,741,436	58,108	1.2255
Mar-06	4,763,839	58,554	1.2291
Jun-06	4,798,946	57,999	1.2086
Sep-06	4,834,905	57,381	1.1868

(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	-4.1%
	9-points	-4.9%
	12-points	-5.1%
	15-points	-4.7%
	24-points	-3.6%

(A) AVERAGE PAID CLAIM FREQUENCY PER 100 CARS.

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2006

L CARRIERS

BODILY INJURY 25/50 BASIC

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.5%	2.6%	2.6%
12 points	3.2%	3.3%	3.4%
9 points	3.7%	3.9%	3.9%
6 points	4.3%	4.5%	4.6%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-1.5%	-1.5%	-1.5%
15 points	-2.1%	-2.0%	-2.0%
12 points	-3.1%	-3.0%	-2.9%
9 points	-4.7%	-4.4%	-4.4%
6 points	-5.2%	-5.0%	-4.9%

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	0.1%	0.1%	0.1%
12 points	1.1%	1.1%	1.1%
9 points	2.2%	2.3%	2.3%
6 points	3.2%	3.3%	3.3%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-0.2%	-0.2%	-0.2%
15 points	-0.5%	-0.5%	-0.5%
12 points	-2.5%	-2.4%	-2.4%
9 points	-3.8%	-3.6%	-3.6%
6 points	-4.7%	-4.6%	-4.5%

MEDICAL PAYMENTS TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	2.8%	3.0%	3.0%
12 points	2.9%	3.0%	3.1%
9 points	2.3%	2.3%	2.3%
6 points	2.3%	2.3%	2.4%

FREQ	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
24 points	-4.1%	-3.7%	-3.6%
15 points	-5.3%	-4.8%	-4.7%
12 points	-5.7%	-5.3%	-5.1%
9 points	-5.3%	-5.0%	-4.9%
6 points	-4.3%	-4.1%	-4.1%

NORTH CAROLINA
TREND SUMMARY
DATA ENDED SEPTEMBER 2006

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	6.0%	6.7%	7.1%
12 points	3.7%	3.9%	4.0%
9 points	1.6%	1.6%	1.5%
6 points	8.2%	8.6%	8.6%

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
15 points	3.2%	3.4%	3.4%
12 points	3.3%	3.4%	3.5%
9 points	3.3%	3.4%	3.5%
6 points	5.1%	5.3%	5.4%

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2006

ALL CARRIERS

BODILY INJURY 25/50 BASIC

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

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.82	-0.82
15 points	-0.82	-0.82
12 points	-0.91	-0.91
9 points	-0.99	-0.99
6 points	-0.99	-0.99

PROPERTY DAMAGE TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.07	0.07
12 points	0.71	0.71
9 points	0.94	0.95
6 points	0.97	0.97

FREQ	STRAIGHT LINE	EXPONENTIAL
24 points	-0.17	-0.18
15 points	-0.23	-0.24
12 points	-0.87	-0.87
9 points	-0.97	-0.97
6 points	-0.98	-0.98

MEDICAL PAYMENTS TOTAL LIMITS

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

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

NORTH CAROLINA
CORRELATION COEFFICIENTS
DATA ENDED SEPTEMBER 2006

ALL CARRIERS

BODILY INJURY 25/50 EXCESS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.82	0.82
12 points	0.61	0.61
9 points	0.22	0.20
6 points	0.65	0.65

BODILY INJURY TOTAL LIMITS

COST	STRAIGHT LINE	EXPONENTIAL
15 points	0.97	0.97
12 points	0.95	0.95
9 points	0.89	0.90
6 points	0.92	0.92

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
DETERMINATION OF TREND FOR EXPENSES

	<u>ALL ITEMS CPI INDEX</u>	<u>COMPENSATION COST INDEX</u>
Jan-03	181.7	
Feb-03	183.1	172.1
Mar-03	184.2	
Apr-03	183.8	
May-03	183.5	173.9
Jun-03	183.7	
Jul-03	183.9	
Aug-03	184.6	175.1
Sep-03	185.2	
Oct-03	185.0	
Nov-03	184.5	176.2
Dec-03	184.3	
Jan-04	185.2	
Feb-04	186.2	177.8
Mar-04	187.4	
Apr-04	188.0	
May-04	189.1	180.5
Jun-04	189.7	
Jul-04	189.4	
Aug-04	189.5	182.1
Sep-04	189.9	
Oct-04	190.9	
Nov-04	191.0	183.6
Dec-04	190.3	
Jan-05	190.7	
Feb-05	191.8	186.3
Mar-05	193.3	
Apr-05	194.6	
May-05	194.4	188.8
Jun-05	194.5	
Jul-05	195.4	
Aug-05	196.4	189.0
Sep-05	198.8	
Oct-05	199.2	
Nov-05	197.6	190.0
Dec-05	196.8	
Jan-06	198.3	
Feb-06	198.7	191.7
Mar-06	199.8	
Apr-06	201.5	
May-06	202.5	193.0
Jun-06	202.9	
Jul-06	203.5	
Aug-06	203.9	193.8
Sep-06	202.9	
Oct-06	201.8	
Nov-06	201.5	194.9
Dec-06	201.8	

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)	3.09%	3.54%	3.32%
(2) Annual Change in indices based on exponential curve of best fit for the latest 36 points (or 12 quarters)	3.28%	3.32%	3.30%
(3) Annual Change in indices based on exponential curve of best fit for the latest 24 points (or 8 quarters)	3.18%	2.50%	2.84%
(4) Annual Change in indices based on exponential curve of best fit for the latest 12 points (or 4 quarters)	1.89%	2.18%	2.03%
(5) Average Annual Index (D)			
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	
Year Ended 6/30/2006	198.99	190.93	
Year Ended 12/31/2006	201.59	193.35	
(6) Current Cost Factor (Index Value Divided by Average Annual Index)			
Year Ended 6/30/2004	1.08	1.10	1.09
Year Ended 12/31/2004	1.07	1.08	1.08
Year Ended 6/30/2005	1.05	1.05	1.05
Year Ended 12/31/2005	1.03	1.03	1.03
Year Ended 6/30/2006	1.01	1.02	1.02
Year Ended 12/31/2006	1.00	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 2006

CONSUMER PRICE INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
48 points	2.88%	3.05%	3.09%
36 points	3.08%	3.22%	3.28%
24 points	3.03%	3.12%	3.18%
12 points	1.85%	1.86%	1.89%

COMPENSATION COST INDEX

	STRAIGHT LINE		EXPONENTIAL
	END POINT	MID POINT	
16 points	3.26%	3.47%	3.54%
12 points	3.11%	3.25%	3.32%
8 points	2.41%	2.47%	2.50%
4 points	2.13%	2.15%	2.18%

NORTH CAROLINA

EXTERNAL EXPENSE TREND SUMMARY
CORRELATION COEFFICIENTS
DATA ENDED DECEMBER 2006

CONSUMER PRICE INDEX

	STRAIGHT LINE	EXPONENTIAL
48 points	0.98	0.98
36 points	0.98	0.98
24 points	0.93	0.93
12 points	0.63	0.63

COMPENSATION COST INDEX

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

Countrywide External Expense Trend

	Consumer Price Index (a)	Compensation Cost Index (b)		Consumer Price Index (a)	Compensation Cost Index (b)
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	1/06	198.3	
6/03	183.7		2/06	198.7	191.7
7/03	183.9		3/06	199.8	
8/03	184.6	175.1	4/06	201.5	
9/03	185.2		5/06	202.5	193.0
10/03	185.0		6/06	202.9	
11/03	184.5	176.2	7/06	203.5	
12/03	184.3		8/06	203.9	193.8
1/04	185.2		9/06	202.9	
2/04	186.2	177.8	10/06	201.8	
3/04	187.4		11/06	201.5	194.9
4/04	188.0		12/06	201.8	
5/04	189.1	180.5			

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

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

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

Source: Bureau of Labor Statistics.

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

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

CPI GASOLINE INDEX
ANNUAL PERCENT CHANGE

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

Monthly Gasoline Sales (in thousands of gallons)

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

	Monthly Gasoline Sales for <u>North Carolina</u>	% change from month <u>one year prior</u>	Year Ending Gasoline Sales for <u>North Carolina</u>	% change from one <u>year prior</u>
Jan 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%
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%

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
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%
Jan 2005	346,365	3.3%	4,478,461	2.5%
Feb 2005	367,155	7.8%	4,505,161	2.4%
Mar 2005	370,937	-3.2%	4,492,774	1.4%
Apr 2005	366,054	-0.2%	4,491,917	1.0%
May 2005	401,405	-5.6%	4,467,934	-0.5%
Jun 2005	365,062	3.3%	4,479,475	0.1%
Jul 2005	387,456	-0.8%	4,476,532	0.1%
Aug 2005	407,188	5.0%	4,495,774	0.8%
Sep 2005	410,122	12.1%	4,540,045	1.7%
Oct 2005	296,331	-21.5%	4,458,933	0.0%
Nov 2005	331,742	-11.3%	4,416,670	-1.3%
Dec 2005	425,530	16.0%	4,475,347	0.2%
Jan 2006	342,777	-1.0%	4,471,759	-0.1%
Feb 2006	334,966	-8.8%	4,439,570	-1.5%
Mar 2006	374,562	1.0%	4,443,195	-1.1%
Apr 2006	364,564	-0.4%	4,441,705	-1.1%
May 2006	392,926	-2.1%	4,433,226	-0.8%
Jun 2006	373,486	2.3%	4,441,650	-0.8%
Jul 2006	379,966	-1.9%	4,434,160	-0.9%
Aug 2006	399,075	-2.0%	4,426,047	-1.6%
Sep 2006	362,003	-11.7%	4,377,928	-3.6%

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

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

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

MILES DRIVEN AND GASOLINE CONSUMPTION - U.S. TOTAL

	Miles Driven (billions of miles)	Year ending Miles Driven (billions of miles)	% Change from Year Prior	Gasoline Consumption (millions of gallons)	Year ending Gasoline Consumption (millions of gallons)	% Change from Year Prior
7/03	262.0	2,855.5	1.5%	12,257.1	138,294.1	1.6%
8/03	260.4	2,859.9	1.5%	12,340.3	138,445.3	1.5%
9/03	237.0	2,866.0	1.5%	11,599.3	138,543.3	1.2%
10/03	254.3	2,877.0	1.8%	11,889.0	138,778.9	1.1%
11/03	234.3	2,882.8	2.0%	11,388.1	138,759.8	0.8%
12/03	239.5	2,890.9	2.2%	11,834.6	139,140.1	1.0%
1/04	221.7	2,894.7	2.2%	11,351.8	139,365.0	0.9%
2/04	213.2	2,905.1	2.7%	11,108.9	140,409.2	1.8%
3/04	251.6	2,919.8	3.1%	11,792.9	140,928.5	2.2%
4/04	251.2	2,931.8	3.3%	11,992.3	141,523.9	2.6%
5/04	256.6	2,934.5	3.3%	12,297.2	141,780.9	2.8%
6/04	257.4	2,939.2	3.2%	11,960.3	141,811.8	2.7%
7/04	265.7	2,942.9	3.1%	12,307.4	141,862.1	2.6%
8/04	262.5	2,945.0	3.0%	12,316.8	141,838.6	2.5%
9/04	242.6	2,950.6	3.0%	12,044.6	142,283.9	2.7%
10/04	253.7	2,950.0	2.5%	11,816.6	142,211.5	2.5%
11/04	240.3	2,956.0	2.5%	11,590.8	142,414.2	2.6%
12/04	246.0	2,962.5	2.5%	12,277.3	142,856.9	2.7%
1/05	222.0	2,962.8	2.4%	11,118.9	142,624.0	2.3%
2/05	218.1	2,967.7	2.2%	10,891.2	142,406.3	1.4%
3/05	251.3	2,967.4	1.6%	11,885.8	142,499.2	1.1%
4/05	248.7	2,964.9	1.1%	11,704.3	142,211.2	0.5%
5/05	260.1	2,968.4	1.2%	12,282.4	142,196.4	0.3%
6/05	262.0	2,973.0	1.1%	12,228.1	142,464.2	0.5%
7/05	265.5	2,972.8	1.0%	12,460.3	142,617.1	0.5%
8/05	263.4	2,973.7	1.0%	12,648.8	142,949.1	0.8%
9/05	239.7	2,970.8	0.7%	11,547.5	142,452.0	0.1%
10/05	250.1	2,967.2	0.6%	11,670.6	142,306.0	0.1%
11/05	241.6	2,968.5	0.4%	11,436.4	142,151.6	-0.2%
12/05	242.9	2,965.4	0.1%	12,022.3	141,896.6	-0.7%
1/06	231.3	2,974.7	0.4%			
2/06	219.4	2,976.0	0.3%			
3/06	255.0	2,979.7	0.4%			
4/06	248.8	2,979.8	0.5%			
5/06	262.7	2,982.4	0.5%			
6/06	261.7	2,982.1	0.3%			
7/06	261.2	2,977.8	0.2%			
8/06	265.2	2,979.6	0.2%			
9/06	245.1	2,985.0	0.5%			
10/06	256.7	2,991.6	0.8%			
11/06	244.5	2,994.5	0.9%			
12/06	244.9	2,996.5	1.0%			

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

COMPONENTS OF THE CPI INDEX
MONTHLY PERCENT CHANGES

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

COMPONENTS OF THE CPI INDEX
ANNUAL PERCENT CHANGES

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

CPI ALL ITEMS (URBAN) - LESS ENERGY
CUSA0LENS

(1)			(2)			(1)			(2)		
<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>	<u>Month</u>	<u>Index</u>	<u>Annual Percentage Change</u>
1/2001	1.810	2.7%	1/2004	1.919	1.5%	1/2005	1.964	2.3%	1/2006	2.008	2.2%
2/2001	1.818	2.8%	2/2004	1.927	1.6%	2/2005	1.973	2.4%	2/2006	2.016	2.2%
3/2001	1.826	2.7%	3/2004	1.937	1.8%	3/2005	1.983	2.4%	3/2006	2.026	2.2%
4/2001	1.829	2.7%	4/2004	1.941	2.1%	4/2005	1.986	2.3%	4/2006	2.030	2.2%
5/2001	1.829	2.6%	5/2004	1.943	2.1%	5/2005	1.986	2.2%	5/2006	2.033	2.4%
6/2001	1.833	2.8%	6/2004	1.944	2.2%	6/2005	1.985	2.1%	6/2006	2.036	2.6%
7/2001	1.836	2.7%	7/2004	1.945	2.1%	7/2005	1.987	2.2%	7/2006	2.039	2.6%
8/2001	1.841	2.8%	8/2004	1.947	2.0%	8/2005	1.989	2.2%	8/2006	2.044	2.8%
9/2001	1.845	2.7%	9/2004	1.952	2.2%	9/2005	1.992	2.0%	9/2006	2.049	2.9%
10/2001	1.851	2.8%	10/2004	1.960	2.2%	10/2005	2.001	2.1%			
11/2001	1.854	2.8%	11/2004	1.960	2.3%	11/2005	2.002	2.1%			
12/2001	1.852	2.8%	12/2004	1.958	2.2%	12/2005	2.001	2.2%			
1/2002	1.857	2.6%									
2/2002	1.865	2.6%									
3/2002	1.871	2.5%									
4/2002	1.875	2.5%									
5/2002	1.874	2.5%									
6/2002	1.873	2.2%									
7/2002	1.875	2.1%									
8/2002	1.881	2.2%									
9/2002	1.884	2.1%									
10/2002	1.888	2.0%									
11/2002	1.889	1.9%									
12/2002	1.886	1.8%									
1/2003	1.890	1.8%									
2/2003	1.897	1.7%									
3/2003	1.902	1.7%									
4/2003	1.902	1.4%									
5/2003	1.903	1.5%									
6/2003	1.903	1.6%									
7/2003	1.905	1.6%									
8/2003	1.908	1.4%									
9/2003	1.910	1.4%									
10/2003	1.917	1.5%									
11/2003	1.916	1.4%									
12/2003	1.915	1.5%									

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>
12/1999	90%	10%
12/2000	83	17
12/2001	85	15
12/2002	90	10
12/2003	87	13
12/2004	87	13
12/2005	87	13

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

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

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

See also pre-filed testimony of P. Woods.

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

6. LIMITING FACTOR DEVELOPMENT AND APPLICATION

No limitations were applied.

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

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

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

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premiums Written at Manual Level	\$2,088,424,946	\$2,182,501,620	\$2,319,914,842	\$2,344,630,005	\$2,430,314,065
Premiums Earned at Manual Level	2,091,064,008	2,153,995,534	2,272,048,154	2,317,791,914	2,547,452,137
Premium Written (Collected Level)	1,896,237,159	1,966,486,164	2,131,701,669	2,186,772,183	2,241,463,188
Premium Earned (Collected Level)	1,897,802,072	1,939,187,608	2,080,058,726	2,165,237,699	2,241,095,799
Commission & Brokerage	189,078,142	196,758,521	208,066,954	216,474,247	230,906,890
Other Acquisition	138,898,741	157,517,235	178,306,347	191,699,030	212,532,013
General Expenses	121,344,299	129,965,042	126,339,929	137,708,746	128,731,796
Taxes, Licenses, and Fees	45,064,435	48,885,392	50,675,808	49,949,234	52,183,922
Bodily Injury Losses Incurred	876,481,923	797,908,662	901,261,493	983,642,182	964,678,890
BI Allocated Loss Adjustment	38,066,636	11,029,181	33,670,584	36,670,488	33,457,299
BI Unallocated Loss Adjustment	116,743,366	108,169,312	111,448,514	115,524,475	127,744,750
Property Damage Losses Incurred	537,030,087	583,087,084	588,252,361	602,068,126	598,208,979
PD Allocated Loss Adjustment	1,738,292	4,491,936	8,993,978	6,792,019	8,055,918
PD Unallocated Loss Adjustment	62,402,493	67,179,157	76,384,689	76,480,634	74,018,157
<u>COMBINED RATIOS</u>					
Commission & Brokerage to Written Premium (a) (b)	.100	.100	.098	.099	.103
Other Acquisition to Earned Premium (c)	.066	.073	.078	.083	.083
General Expenses to Earned Premium (c)	.058	.059	.056	.059	.051
Taxes, Licenses, etc. to Written Premium (b)	.024	.025	.024	.023	.023
Unallocated Loss Adjustment Expenses to Losses + Allocated	<u>BI</u> .128 <u>PD</u> .116	<u>BI</u> .134 <u>PD</u> .114	<u>BI</u> .119 <u>PD</u> .128	<u>BI</u> .113 <u>PD</u> .126	<u>BI</u> .128 <u>PD</u> .122

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>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Premiums Written	\$17,569,891	\$17,767,876	\$21,404,466	\$24,368,906	\$28,908,379
Premiums Earned	16,953,554	17,226,637	20,360,578	23,453,046	26,245,060
Commission & Brokerage	2,004,943	2,096,798	2,434,725	2,512,584	2,639,000
Other Acquisition	1,376,449	1,409,269	1,409,720	1,718,064	2,153,234
General Expenses	1,086,450	914,380	768,456	913,911	1,353,703
Taxes, Licenses, and Fees	403,676	441,524	461,972	512,953	590,453
Losses Incurred	7,836,352	7,684,849	10,614,863	11,368,841	11,770,230
All Loss Adjustment Expenses	885,800	1,160,753	2,258,406	2,017,972	1,797,976
		<u>COMBINED RATIOS</u>			
Commission & Brokerage to Written Premium	.114	.118	.114	.103	.091
Other Acquisition to Earned Premium	.081	.082	.069	.073	.082
General Expenses to Earned Premium	.064	.053	.038	.039	.052
Taxes, Licenses, etc. to Written Premium	.023	.025	.022	.021	.020
All Loss Adjustment Expenses to Losses	.113	.151	.213	.178	.153

Source: North Carolina Rate Bureau Expense Call

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), (10)(b), and (10)(c) and the pre-filed testimony of P. Woods. The experience provides the best estimate of the future.

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
(F) / (A-1) 3.27%

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 ($.178 \times 1.031 = .184$).

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) \div (1)	0.925
9. Ratio (7) \div (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 $[(10) \times (1.0 + (11)) / (1.0 + (12))]$	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 (F) / (A-1) 3.77%

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)

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
CEDED LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED PREMIUM RESERVES
AND ON LOSS RESERVES

A. Unearned Premium Reserve

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

 B. Delayed Remission of Premium (Agents' Balances)

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

C. Loss Reserve

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

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

E. Average Rate of Return 5.15%

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

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

Line A-1

Direct earned premiums are the total limits earned premiums at present 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 12/31/2005 for all companies writing Private Passenger Automobile Liability insurance in North Carolina. These data are from page 15 of the Annual Statement.

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

Line A-3

Deduction for prepaid expenses:

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

Line B-2

Delayed remission of premium:

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

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

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
LIABILITY COVERAGES

ESTIMATED INVESTMENT EARNINGS ON UNEARNED
PREMIUM RESERVES AND ON LOSS RESERVES

EXPLANATORY NOTES

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

Line C-2

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

Line C-3

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

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

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

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-38-40 and F-43-45. The data on a paid and incurred basis is shown on pages F-174 and F-175. Page F-173 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	63.8%	63.7%	9.3
15-27	19.5%	19.5%	20.3
27-39	8.5%	8.7%	32.4
39-51	4.9%	5.1%	44.3
51-63	1.9%	2.0%	56.5
63-ult.	1.4%	1.0%	73.4
	(a)	(b)	
(1) Average Payment Date	16.9 months	16.8 months	
(2) Average Date of Accident	6.0 months	6.0 months	
(3) Average Length of Time between Occurrence and Payment [(1)-(2)]	10.9 months	10.8 months	

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

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

Based on this analysis the average length of time between occurrence and payment has decreased by one-tenth of one month over this period.

NORTH CAROLINA

ULTIMATE INCURRED LOSSES

Accident Year	Losses (a)
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	1,229,607,885
2002	1,291,168,066
2003	1,357,905,313
2004	1,381,758,080
2005	1,401,952,991

(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
1992					846,069,749
1993				888,745,260	908,189,230
1994			928,135,872	978,449,411	1,000,883,797
1995		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	1,217,736,943
2002	829,685,310	1,079,156,317	1,189,961,232	1,251,448,431	
2003	856,896,088	1,131,112,193	1,242,432,276		
2004	871,810,336	1,144,640,374			
2005	909,074,242				

Ratio of Paid to Ultimate Incurred

Accident Year	0-15 Mo.	15-27 Mo.	27-39 Months	39-51 Months	51-63 Months
1992					0.984
1993				0.965	0.986
1994			0.916	0.966	0.988
1995		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	0.642	0.838	0.921	0.970	0.990
2002	0.643	0.836	0.922	0.969	
2003	0.631	0.833	0.915		
2004	0.631	0.828			
2005	0.648				
Earliest Three Year Avg	0.638	0.833	0.918	0.967	0.986
Latest Three Year Avg	0.637	0.832	0.919	0.970	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
1992					860,055,833
1993				925,240,914	920,840,724
1994			1,013,935,436	1,016,315,942	1,012,878,331
1995		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	1,229,607,885
2002	1,177,233,497	1,247,824,357	1,275,184,350	1,288,590,884	
2003	1,218,414,098	1,306,023,654	1,340,479,085		
2004	1,260,406,094	1,332,457,165			
2005	1,272,189,647				

Loss Development Factors

Accident Year	15-27 Mo.	27-39 Mo.	39-51 Mo.	51-63 Mo.
1993				0.995
1994			1.002	0.997
1995		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	1.000
2002	1.060	1.022	1.011	
2003	1.072	1.026		
2004	1.057			

Five Year Average	1.061	1.022	1.010	1.002
-------------------	-------	-------	-------	-------

Three Year Average	1.063	1.024	1.011	1.002
--------------------	-------	-------	-------	-------

	Five Year	Three Year
39 to 63 months:	1.012	1.013
27 to 63 months:	1.034	1.037
15 to 63 months:	1.097	1.102

Losses exclude unallocated loss adjustment expense.

NORTH CAROLINA
 PERSONAL AUTO LIABILITY INSURANCE
 AGGREGATE ANNUAL STATEMENT DATA
 TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2004 ASSETS

1	Bonds	142,050,581
2	Stocks	
	2.1 Preferred stocks	2,564,692
	2.2 Common stocks	100,638,876
3	Mortgage loans on real estate	
	3.1 First Liens	1,463,459
	3.2 Other than First Liens	29,185
4	Real estate	
	4.1 Properties occupied by the company	4,050,726
	4.2 Other properties	0
5	Cash and Short-term investments	15,990,149
6	Other invested assets	11,951,099
7	Receivable for securities	839,937
8	Aggregate write-ins for invested assets	1,341,325
9	Subtotals, cash and invested assets	281,198,825
10	Agents balances or uncollected premiums	
	10.1 In course of collection	7,944,308
	10.2 Booked but deferred and not yet due	19,947,455
	10.3 Accrued retrospective premiums	564,288
11	Funds held by or deposited with reinsured companies	223,790
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	4,394,198
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	196,815
5	Electronic data processing equipment	809,888
16	Interest, dividends and real estate income due and accrued	2,102,540
17	Receivable from parent, subsidiaries and affiliates	3,975,133
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	6,159,385
22	TOTALS (items 8a through 20)	333,890,645

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	6,159,385
6	TOTALS	6,159,385

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2004 LIABILITIES

1	Losses	86,586,592
1A	Reinsurance payable on paid loss and loss adjustment expense	3,699,475
2	Loss adjustment expenses	20,352,462
3	Contingent commissions and other similar charges	1,240,690
4	Other expenses	7,613,067
5	Taxes, licenses and fees	1,349,753
6	Federal and foreign income taxes	0
7	Borrowed money	1,457,329
8	Interest	0
9	Unearned premiums	47,218,317
10	Dividends declared and unpaid	
	(a) Stockholders	1,583
	(b) Policyholders	54,095
11	Funds held by company under reinsurance treaties	3,756,825
12	Amounts withheld or retained by company for account of others	2,448,294
13	Remittances and items not allocated	610,643
14	Provision for reinsurance	1,056,228
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	47,444
17	Drafts outstanding	1,219,186
18	Payable to parent, subsidiaries and affiliates	1,129,530
19	Payable for securities	425,812
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	7,393,926
<u>3</u>	Total liabilities	198,946,180
4	Aggregate write-ins for special surplus funds	32,840,363
25A	Common capital stock	209,054
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	15,078
26A	Surplus notes	3,763,846
26B	Gross paid in and contributed surplus	15,601,386
26C	Unassigned funds (surplus)	82,199,844
26D	Treasury stock	
	(1) common	166
	(2) preferred	0
27	Surplus as regards policyholders	134,944,466
28	TOTALS	333,890,645

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	80,542
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,700,498
4	Discount on loss reserve	0
5	Other write-ins	9,013,882
9	TOTALS	7,393,926

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

1	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	15,078

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2004 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	131,681,025
	Deductions	
2	Losses incurred	84,636,163
3	Loss expenses incurred	16,815,288
4	Other underwriting expenses incurred	31,270,531
5	Aggregate write-ins for underwriting deductions	-11,025
6	Total underwriting deductions	132,710,957
7	Net underwriting gain or loss	-1,029,932
8	Net investment income earned	11,285,960
9	Net realized capital gains or losses	1,271,074
9A	Net investment gain or loss	12,557,034
10	Net gain or loss from agents or premium balances charged off	-354,810
11	Finance or service charges not included in premiums	969,376
12	Aggregate write-ins for miscellaneous income	50,706
13	Total other income	665,273
14	Net income before dividends to policyholders and before federal and foreign income taxes	12,192,374
14A	Dividends to policyholders	654,675
14B	Net income after dividends to policyholders but before federal and foreign income taxes	11,537,700
15	Federal and foreign income taxes incurred	2,263,675
16	Net income	9,274,024
7	Surplus as regards policyholders, December 31 previous year	123,684,480
18	Net income	9,274,024
19	Net unrealized capital gains or losses	3,387,841
20	Change in non-admitted assets	-23,960
21	Change in provision for reinsurance	-194,763
22	Change in foreign exchange adjustment	-122,831
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	82
24	Capital changes	
	(a) Paid in	250
	(b) Transferred from surplus	0
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	3,640,617
	(b) Transferred to capital	0
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-5,161,747
28	Change in treasury stock	0
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	168,795
31	Change in surplus as regards policyholders for the year	11,259,985
32	Surplus as regards policyholders, December 31 current year	134,944,466

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	160,379
2	Change in conditional reserves	8,416
3	Miscellaneous capital and surplus adjustments	0
11	TOTALS	168,795

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2005 ASSETS

1	Bonds	157,630,096
2	Stocks	
	2.1 Preferred stocks	2,949,241
	2.2 Common stocks	111,467,999
3	Mortgage loans on real estate	
	3.1 First Liens	1,546,727
	3.2 Other than First Liens	29,185
4	Real estate	
	4.1 Properties occupied by the company	4,183,564
	4.2 Other properties	0
5	Cash and Short-term investments	16,541,917
6	Other invested assets	12,326,110
7	Receivable for securities	906,825
8	Aggregate write-ins for invested assets	1,343,603
9	Subtotals, cash and invested assets	309,213,337
10	Agents balances or uncollected premiums	
	10.1 In course of collection	9,059,433
	10.2 Booked but deferred and not yet due	23,120,794
	10.3 Accrued retrospective premiums	660,043
11	Funds held by or deposited with reinsured companies	355,350
12	Bills receivable, taken for premiums	0
13	Reinsurance recoverable on loss payments	4,731,865
14	Federal income tax recoverable and interest thereon	0
14A	Guaranty funds receivable or on deposit	221,984
15	Electronic data processing equipment	863,793
<u>5</u>	Interest, dividends and real estate income due and accrued	2,366,084
/	Receivable from parent, subsidiaries and affiliates	3,961,839
18	Equities and deposits in pools and associations	0
19	Amounts receivable relating to uninsured A & H plans	0
20	Other assets non-admitted	0
21	Aggregate write-ins for other than invested assets	7,179,312
22	TOTALS (items 8a through 20)	368,611,822

DETAILS OF WRITE-INS AGGREGATED AT ITEM 20

1	Future investment income on loss reserve	0
2	Other write-ins	7,179,312
6	TOTALS	7,179,312

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2005 LIABILITIES

1	Losses	95,868,990
1A	Reinsurance payable on paid loss and loss adjustment expense	3,761,937
2	Loss adjustment expenses	22,379,888
3	Contingent commissions and other similar charges	1,406,192
4	Other expenses	7,815,379
5	Taxes, licenses and fees	1,530,639
6	Federal and foreign income taxes	0
7	Borrowed money	1,453,848
8	Interest	0
9	Unearned premiums	51,089,752
10	Dividends declared and unpaid	
	(a) Stockholders	202,583
	(b) Policyholders	79,184
11	Funds held by company under reinsurance treaties	4,150,578
12	Amounts withheld or retained by company for account of others	3,170,786
13	Remittances and items not allocated	616,887
14	Provision for reinsurance	1,333,412
15	Excess of statutory reserves over statement reserves	0
16	Net adjustments in assets and liabilities for foreign exchange	83,065
17	Drafts outstanding	1,669,300
18	Payable to parent, subsidiaries and affiliates	1,017,021
19	Payable for securities	547,928
20	Liability for amounts held under accident and health plans	0
21	Capital notes and interest thereon	0
22	Aggregate write-ins for liabilities	8,113,622
<u>23</u>	Total liabilities	218,542,009
4	Aggregate write-ins for special surplus funds	32,961,303
25A	Common capital stock	256,545
25B	Preferred capital stock	315,060
25C	Aggregate write-ins for other than special surplus funds	15,013
26A	Surplus notes	3,763,846
26B	Gross paid in and contributed surplus	21,540,638
26C	Unassigned funds (surplus)	91,225,592
26D	Treasury stock	
	(1) common	8,182
	(2) preferred	0
27	Surplus as regards policyholders	150,069,814
28	TOTALS	368,611,822

DETAILS OF WRITE-INS AGGREGATED AT ITEM 22

1	Miscellaneous conditional reserves	80,542
2	Other reinsurance balances	0
3	Loss portfolio transfers	-1,538,084
4	Discount on loss reserve	0
5	Other write-ins	9,571,164
9	TOTALS	8,113,622

DETAILS OF WRITE-INS AGGREGATED AT ITEM 23C

.	Guaranty funds	0
2	Other write-ins	0
9	TOTALS	15,013

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

2005 UNDERWRITING AND INVESTMENT EXHIBIT

STATEMENT OF INCOME

1	Premiums earned	139,080,604
	Deductions	
2	Losses incurred	88,591,469
3	Loss expenses incurred	17,671,376
4	Other underwriting expenses incurred	33,439,250
5	Aggregate write-ins for underwriting deductions	-11,012
6	Total underwriting deductions	139,691,082
7	Net underwriting gain or loss	-610,478
8	Net investment income earned	12,899,816
9	Net realized capital gains or losses	1,365,733
9A	Net investment gain or loss	14,265,549
10	Net gain or loss from agents or premium balances charged off	-378,151
11	Finance or service charges not included in premiums	968,252
12	Aggregate write-ins for miscellaneous income	-212,192
13	Total other income	377,909
14	Net income before dividends to policyholders and before federal and foreign income taxes	14,032,979
14A	Dividends to policyholders	665,468
14B	Net income after dividends to policyholders but before federal and foreign income taxes	13,367,511
15	Federal and foreign income taxes incurred	2,564,043
16	Net income	10,803,468
7	Surplus as regards policyholders, December 31 previous year	138,041,387
18	Net income	10,803,468
19	Net unrealized capital gains or losses	3,118,709
20	Change in non-admitted assets	-6,914
21	Change in provision for reinsurance	-315,408
22	Change in foreign exchange adjustment	-113,538
23	Change in excess of statutory reserves over statement reserves	0
23A	Change in surplus notes	82
24	Capital changes	
	(a) Paid in	250
	(b) Transferred from surplus	0
	(c) Transferred to surplus	0
25	Surplus adjustments	
	(a) Paid in	3,740,614
	(b) Transferred to capital	0
	(c) Transferred from capital	0
26	Net remittances from or to Home Office	0
27	Dividends to stockholders (cash)	-5,999,014
28	Change in treasury stock	4
29	Extraordinary amounts of taxes for prior years	0
30	Aggregate write-ins for gains and losses in surplus	418,307
31	Change in surplus as regards policyholders for the year	12,028,427
32	Surplus as regards policyholders, December 31 current year	150,069,814

DETAILS OF WRITE-INS AGGREGATED AT ITEM 30

1	Miscellaneous operating adjustments	290,711
2	Change in conditional reserves	8,416
3	Miscellaneous capital and surplus adjustments	119,180
11	TOTALS	418,307

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

PART II - 2004 ALLOCATION TO LINES OF BUSINESS NET OF REINSURANCE

LIABILITY

1	Net Premiums Written	49,937,940,000
2	Net Premiums Earned	49,750,722,000
3	Dividends to Policyholders	222,676,000
4	Incurred Losses	30,488,761,000
5	Allocated Loss Adjustment Expenses Incurred	1,888,023,000
6	Unallocated Loss Adjustment Expenses Incurred	5,042,547,000
7	Unpaid Losses	36,468,910,000
8	Allocated Loss Adjustment Expenses Unpaid	5,407,870,000
9	Unallocated Loss Adjustment Expenses Unpaid	3,747,478,000
10	Unearned Premium Reserves	14,038,526,000
11	Agents' Balances	8,774,056,000
12	Commission and Brokerage Expense	4,019,926,000
13	Taxes, Licenses and Fees Incurred	1,191,449,000
14	Other Acquisition, Etc. Expenses Incurred	3,838,398,000
15	General Expenses Incurred	2,034,796,000
16	Other Income Less Other Expenses	387,032,000
17	Pretax Profit Excluding Investment Gain	1,411,186,000
18	Investment Gain on Insurance Transactions	2,471,045,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,882,233,000
20	Investment Gain on Capital and Surplus	2,615,794,000
21	Total Profit or Loss	6,498,027,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,460,053,000
2	Net Premiums Earned	34,372,654,000
3	Dividends to Policyholders	179,973,000
4	Incurred Losses	20,275,044,000
5	Allocated Loss Adjustment Expenses Incurred	60,706,000
6	Unallocated Loss Adjustment Expenses Incurred	3,397,148,000
7	Unpaid Losses	1,987,731,000
8	Allocated Loss Adjustment Expenses Unpaid	93,387,000
9	Unallocated Loss Adjustment Expenses Unpaid	999,502,000
10	Unearned Premium Reserves	9,767,272,000
11	Agents' Balances	6,060,850,000
12	Commission and Brokerage Expense	2,690,482,000
13	Taxes, Licenses and Fees Incurred	816,319,000
14	Other Acquisition, Etc. Expenses Incurred	2,637,736,000
15	General Expenses Incurred	1,360,372,000
16	Other Income Less Other Expenses	203,168,000
17	Pretax Profit Excluding Investment Gain	3,158,043,000
18	Investment Gain on Insurance Transactions	227,633,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,385,678,000
20	Investment Gain on Capital and Surplus	1,196,324,000
21	Total Profit or Loss	4,582,006,000

NORTH CAROLINA
PERSONAL AUTO LIABILITY INSURANCE
AGGREGATE ANNUAL STATEMENT DATA
TOP 50 AUTO INSURERS BASED ON 2005 WRITTEN PREMIUM

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

LIABILITY

1	Net Premiums Written	50,353,683,000
2	Net Premiums Earned	50,151,822,000
3	Dividends to Policyholders	217,934,000
4	Incurred Losses	30,700,941,000
5	Allocated Loss Adjustment Expenses Incurred	1,877,296,000
6	Unallocated Loss Adjustment Expenses Incurred	5,078,719,000
7	Unpaid Losses	36,815,786,000
8	Allocated Loss Adjustment Expenses Unpaid	5,466,190,000
9	Unallocated Loss Adjustment Expenses Unpaid	3,778,428,000
10	Unearned Premium Reserves	14,367,217,000
11	Agents' Balances	9,170,251,000
12	Commission and Brokerage Expense	4,019,474,000
13	Taxes, Licenses and Fees Incurred	1,201,690,000
14	Other Acquisition, Etc. Expenses Incurred	3,888,723,000
15	General Expenses Incurred	2,094,372,000
16	Other Income Less Other Expenses	342,749,000
17	Pretax Profit Excluding Investment Gain	1,415,417,000
18	Investment Gain on Insurance Transactions	2,494,749,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,910,170,000
20	Investment Gain on Capital and Surplus	2,723,317,000
21	Total Profit or Loss	6,633,486,000

PHYSICAL DAMAGE

1	Net Premiums Written	34,710,654,000
2	Net Premiums Earned	34,611,954,000
3	Dividends to Policyholders	176,701,000
4	Incurred Losses	20,352,351,000
5	Allocated Loss Adjustment Expenses Incurred	56,443,000
6	Unallocated Loss Adjustment Expenses Incurred	3,401,508,000
7	Unpaid Losses	1,955,831,000
8	Allocated Loss Adjustment Expenses Unpaid	96,374,000
9	Unallocated Loss Adjustment Expenses Unpaid	1,009,181,000
10	Unearned Premium Reserves	9,994,301,000
11	Agents' Balances	6,307,732,000
12	Commission and Brokerage Expense	2,703,094,000
13	Taxes, Licenses and Fees Incurred	825,067,000
14	Other Acquisition, Etc. Expenses Incurred	2,668,214,000
15	General Expenses Incurred	1,397,690,000
16	Other Income Less Other Expenses	177,004,000
17	Pretax Profit Excluding Investment Gain	3,207,889,000
18	Investment Gain on Insurance Transactions	221,089,000
19	Profit or Loss Excluding Inv Gain on Capital and Surplus	3,428,980,000
20	Investment Gain on Capital and Surplus	1,233,267,000
21	Total Profit or Loss	4,662,249,000

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

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

(a) ISO Personal Auto Statistical Plan

ISO Minimum Personal Auto Statistical Plan

ISO 2005 Call for Personal Auto Bodily Injury and Property Damage
Liability and No-Fault Statistics

ISO 2005 Call for Personal Auto Minimum Statistical Plan Liability
and No-Fault Statistics

PCI Automobile Statistical Plans - All Coverages

PCI 2005 quarterly Automobile Liability Call

PCI Voluntary Automobile Excess Loss Call

Annual Statement for Calendar Year 2005

Insurance Expense Exhibit for Calendar Year 2005

RB Calls for 2005 North Carolina Automobile Expense Experience

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

NISS 2005 Quarterly Automobile Call

NISS 2005 Quarterly Automobile Excess Loss Call

NISS 2005 Calendar Year Annual Statement

NISS 2006 Financial Reconciliation Call

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

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

North Carolina Private Passenger Automobile Insurance Statistical Data

ISO Editing Procedures

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

ISO's edit procedure for Private Passenger Automobile data is in compliance with the requirements of the Statistical Data Monitoring System (SDMS) which is mandated for use in several states and was developed by the New York Insurance Department in conjunction with the Arthur Andersen Company. SDMS was developed to provide procedures for the companies that report, and stat 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.

North Carolina Private Passenger Automobile Insurance Statistical Data

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 involves 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.

North Carolina Private Passenger Automobile Insurance Statistical Data

NISS Editing Procedures

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

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

12. INVESTMENT EARNINGS ON CAPITAL AND SURPLUS

Not applicable.

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

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

Not applicable.

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

14. OTHER INFORMATION REQUIRED BY THE COMMISSIONER.

(a) See pre-filed testimony of P. Woods.

(b) See the attached Exhibit (14) (b).

(c) Not applicable.

(d) The following changes in methodology from those used in the June 2, 2006 filing have been incorporated into this filing:

- No changes have been incorporated.

See also pre-filed testimony of P. Woods.

MEMBERS PARTICIPATING DURING THE MARCH 23, 2007
TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE

Automobile Committee Members Participating

Allstate Insurance Company

Steve Armstrong - Senior Actuary

GEICO Indemnity Company

A. J. Zuvich - Product Manager

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Liberty Mutual Insurance Company

John Ittner - Director of State Operations

Lumbermens Mutual Casualty Company

Amy Brown - Regional Product Manager

Nationwide Mutual Insurance Company

Dan Meyers - Associate Actuary

Progressive Casualty Company

Chris Skorcz - Product Manager

Kay Terry - Product Manager

State Farm Mutual Automobile Insurance Company

Kathy Popejoy* - Actuary, Pricing Director

Travelers Indemnity Company

Chad Mirock - Market Director - Product Management

United Services Automobile Association

Lisa Sukow - USAA Director

Others Participating

Insurance Services Office

Dave DeNicola - Manager, Actuarial

Young, Moore & Henderson

Mickey Spivey - Counsel

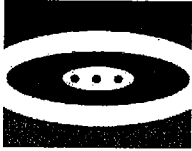
Mike Strickland - Counsel

North Carolina Rate Bureau

Wayne Hinton - Automobile Manager

Tim Lucas - Personal Lines Manager

Edith Davis - Director, Reinsurance Facility



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

MINUTES OF THE TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE
OF THE NORTH CAROLINA RATE BUREAU HELD ON MARCH 23, 2007

MEMBERS PRESENT

Allstate Insurance Company
GEICO Indemnity Company
Integon Indemnity Corporation
Liberty Mutual Insurance Company
Lumbermens Mutual Casualty Company
Nationwide Insurance Company
Progressive Casualty Insurance Company

State Farm Mutual Automobile Insurance Co
The Travelers
United Services Automobile Association

REPRESENTED BY

Steve Armstrong
A.J. Zuvich
Art Lyon
John B. Ittner
Amy Brown
Daniel Myers
Chris Skorcz
Kay Terry
Kathy Popejoy
Chad Mirock
Lisa M. Sukow

OTHERS PRESENT

Insurance Service Office

Young, Moore & Henderson

Staff

REPRESENTED BY

Dave DeNicola

Mickey Spivey
Mike Strickland

Tim Lucas
Wayne Hinton
Edith Davis

The meeting convened as scheduled, Mr. Armstrong presiding.

Attention was directed to the Anti-Trust Guidelines and the Conflict of Interest Statement.

1. Report of Counsel

Mr. Spivey reported on the Burrill vs. Rate Bureau and Department of Insurance court case, stating that oral arguments will be heard before the Court of Appeals on Tuesday, March 27, 2007.

Mr. Spivey also stated that nothing has been heard from the Department of Insurance regarding the 2007 Private

Passenger Rate Review. A question was asked as to the length of time before the Commissioner had to request a hearing and Mr. Spivey responded that there is no time limit.

2. Report of Staff

Mr. Lucas stated that the Personal Automobile Policy Subcommittee met to discuss the possibility of reducing the Rate Bureau's expense with Insurance Service Office by having staff, counsel and the Subcommittee draft language for the Personal Auto Policy and Personal Auto Manual. The Subcommittee agreed that it is worth the Rate Bureau pursuing.

Mr. Lucas reported that Mr. Lyon would be the chairman of the new Subcommittee on Operations and Underwriting and that he would be contacting members to set up a telephone conference. He stated that the first item on the committee agenda for review will be the Inexperience Operator Surcharge.

3. "Other than clean risks" Rate Review

Attention was directed to the exhibits prepared by Insurance Service Office which included the latest available trend data for private passenger automobile insurance for "other than clean risks" ceded to the Reinsurance Facility. Mr. DeNicola reviewed the exhibits stating that an additional quarter of trend data is now available that was not available when the Auto Committee reviewed the trends in December, 2006. After reviewing the trend data, the committee selected trends factors to be used in the other-than-clean risk filing. It was agreed that Mr. DeNicola will prepare a rate review and report back to the Committee in April, 2007. Mr. Lucas will advise the Committee members of the exact date for the next telephone conference.

4. Adjournment

There being no further business, the telephone conference was adjourned.

Respectfully Submitted,

Wayne B. Hinton

Automobile Manager

WBH:dms
4/24/07
AC-07-4

MEMBERS PARTICIPATING DURING THE MAY 14, 2007
TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE

Automobile Committee Members Participating

Allstate Insurance Company

Steve Armstrong - Senior Actuary

GEICO Indemnity Company

A. J. Zuvich - Product Manager

Integon Indemnity Corporation

Art Lyon - Executive Consultant

Nationwide Mutual Insurance Company

Isaac Adams - Actuary

Dan Meyers - Associate Actuary

Progressive Casualty Company

Chris Skorcz - Product Manager

State Farm Mutual Automobile Insurance Company

Jeff Clinch - Actuary

Travelers Indemnity Company

Chad Mirock - Market Director - Product Management

United Services Automobile Association

Lisa Sukow - USAA Director

Ryan Voге - Actuary

Others Participating

Young, Moore & Henderson

Mickey Spivey - Counsel

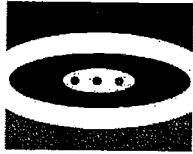
North Carolina Rate Bureau

Wayne Hinton - Automobile Manager

Tim Lucas - Personal Lines Manager

Sue Taylor - Director, Workers Compensation

Edith Davis - Director, Reinsurance Facility



north carolina
RATE BUREAU
REINSURANCE FACILITY
INSURANCE GUARANTY ASSOCIATION

D R A F T

MINUTES OF THE TELEPHONE CONFERENCE OF THE AUTOMOBILE COMMITTEE OF
THE NORTH CAROLINA RATE BUREAU HELD ON MAY 14, 2007

MEMBERS PARTICIPATING

Allstate Insurance Company
GEICO Indemnity Company
Integon Indemnity Corporation
Nationwide Insurance

Progressive Casualty Insurance Company
State Farm Mutual Automobile Insurance Company
The Travelers
United Services Automobile Association

REPRESENTED BY

Steve Armstrong
A.J. Zuvich
Art Lyon
Isaac Adams
Daniel Myers
Chris Skorcz
Jeff Clinch
Chad Mirock
Lisa Sukow
Ryan Voge

OTHERS PARTICIPATING

Young, Moore & Henderson
Staff

REPRESENTED BY

Mickey Spivey
Tim Lucas
Edith Davis
Sue Taylor
Wayne B. Hinton

The telephone conference convened at 2:00 p.m. as scheduled, Mr. Armstrong presiding.

Attention was directed to the Anti-Trust Guidelines and the Conflict of Interest Statement

1. Report of Counsel

Mr. Spivey reported that the Legislature is in session and that there are a number of bills pending that could affect the Rate Bureau. He also noted that various interest groups have had questions regarding these bills and that counsel have been very busy answering these questions. He further noted that there are no legal matters pending that affect the auto line of business at this time.

2. Report of Staff

Mr. Lucas reported that the Subcommittee on Operations and Underwriting met and there was considerable discussion on the inexperienced operator manual rule. Mr. Lucas stated (1) that there are 35 states that do not show the original date of license on the motor vehicle report and the Subcommittee has some concerns about how to deal with this; (2) that the Subcommittee agreed to have staff and counsel draft a revision to the manual rule that would address this issue when dealing with those states; and (3) that there was discussion by the Subcommittee about possibly providing flexibility in the rule for writing risks whose driving experience is from another country but that the consensus of the Subcommittee was that the current rule recognizing driving experience only from the United States, Canada and Puerto Rico can be consistently applied and that allowing exceptions could cause the interpretation of the rule to vary inappropriately.

Mr. Lucas advised there were approximately 20 bills pending in the Legislature that could affect the Rate Bureau or the Reinsurance Facility. He stated (1) that three bills were sent to a House Insurance Subcommittee -- a bill changing the minimum financial responsibility from 30/60 to 75/150, a bill making UM/UIM coverage mandatory and a bill providing for stacking UM/UIM coverage; (2) that the crossover date is approaching and there is a possibility the Subcommittee will not meet to review these bills; (3) that a bill that would have changed the prayer for judgment continued from a per household basis to a per person basis received an unfavorable report from the House Insurance Committee; and (4) that a bill amending the rate filing process and a bill changing the new business cession date for the Reinsurance Facility from 30 days to 5 days remain pending.

3. Reinsurance Facility - PPA Ceded Rate Level

Attention was directed to exhibits prepared by Insurance Services Office (ISO) staff showing the preliminary rate level indications for private passenger automobile insurance for other-than-clean risks ceded to the Reinsurance Facility. Mr. Armstrong reviewed the exhibits and noted that the loss and expense trends utilized in the preliminary rate calculations are those selected by the Committee during the last telephone conference and that the other inputs and methodologies are those previously selected by the Committee. Mr. Armstrong noted that the indications are for effective statewide rate level changes of -9.3% for bodily injury, 2.4% for property damage, -3.3%

for medical payments, which average to an overall statewide change of -4.6% for these coverages, and for an overall change of -5.2% for the motorcycle liability coverages. During the review of the expense provisions, it was noted that profit was purposely omitted because Reinsurance Facility rates are required to be set so as to result in no profit or loss. A question was raised about uninsured and underinsured motorists coverages rates and it was noted that those rates are the same as the rates in the voluntary market and that this filing does not affect those rates.

Following discussion, a motion was made, seconded and passed unanimously to recommend to the Board of Governors that the Reinsurance Facility submit a filing proposing statewide rate level changes for bodily injury, property damage, and medical payments coverages for nonfleet private passenger automobiles and bodily injury and property damage coverages for motorcycles based upon the exhibits reviewed and proposing an effective date of October 1, 2007.

4. **Adjournment**

There being no further business, the telephone conference was adjourned.

Respectfully Submitted,

Wayne B. Hinton

Automobile Manager

WBH:dms

6/19/07

AC-07-5

SECTION G
MOTORCYCLE REVIEW

NORTH CAROLINA
RATE LEVEL SUMMARY
MOTORCYCLE INSURANCE

	EARNED PREMIUMS AT PRESENT RATES	INDICATED AND FILED RATE LEVEL CHANGE
Liability	21,546	-5.2%

(000's omitted)

NORTH CAROLINA

MOTORCYCLE INSURANCE
LIABILITY COVERAGE

STATEWIDE RATE REVIEW

All Carriers

Voluntary and Ceded Combined

	Year Ended 12/31/2003	Year Ended 12/31/2004	Year Ended 12/31/2005
(1) Earned Premiums at Present Rates (a)	\$16,205,594	\$19,098,753	\$21,546,385
(2) Incurred Losses (See page F-153)	10,614,863	11,368,841	11,770,230
(3) Loss Adjustment Expense Factor (b)	0.180	0.180	0.180
(4) Loss Adjustment Expense [(2) x (3)]	1,910,675	2,046,391	2,118,641
(5) General & Other Acquisition Expenses (see page F-153)	2,178,176	2,631,975	3,506,937
(6) Average Annual Change in Losses (c) (See page G-5)	-0.4%	0.0%	0.1%
(7) Average Annual Change in Expense Costs (See page D-6)	3.0%	3.0%	3.0%
(8) Projected Losses (d)	10,402,566	11,368,841	11,805,541
(9) Projected Loss Adjustment Expenses (e)	2,216,383	2,306,283	2,317,793
(10) Projected General & Other Acquisition Expenses (f)	2,507,081	2,939,916	3,805,027
(11) Projected Losses, LAE and G & OA Expenses [(8)+(9)+(10)]	15,126,030	16,615,040	17,928,361
(12) Projected Loss, LAE and G & OA Expense Ratio [(11)/(1)]	0.933	0.870	0.832
(13) Permissible Loss, LAE and G & OA Expense Ratio (See page G-4)	0.914	0.926	0.939
(14) Adjustment for Increase in MVR Fee (g)	0.580%	0.580%	0.435%
(15) Indicated Rate Level Change [((12)/(13))+(14)] - 1.0	2.7%	-5.5%	-11.0%
(16) Final selected rate level change (weighted by premium from Line (1))		-5.2%	

NORTH CAROLINA
MOTORCYCLE REVIEW

STATEWIDE RATE REVIEW

Nc

- (a) Based on the earned premiums contained in NCRB expense call and shown on pages F-153, 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-153.
- (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 7/12/2008 (2003=5.03, 2004=4.03, 2005=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 7/12/2008 (2003=5.03, 2004=4.03, 2005=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, 4/1/2008
 (2003=4.75, 2004=3.75, 2005=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>2003</u>	<u>2004</u>	<u>2005</u>
Commission and Brokerage Expense	0.114	0.103	0.091
Taxes, etc. to Written Premium	0.022	0.021	0.020
Profit	0.000	0.000	0.000
Contingencies	0.000	0.000	0.000
Investment Income	-0.039	-0.039	-0.039
Installment Income	-0.011	-0.011	-0.011
Total	0.086	0.074	0.061
Losses, LAE, General Administration Expenses and Other Acquisition Expenses	0.914	0.926	0.939

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>	
2005	BI	1.004	723,100,631	1.001
	PD	1.000	572,866,974	
	MP	0.989	91,524,327	
			1,387,491,932	
2004	BI	1.002	729,687,813	1.000
	PD	0.999	555,075,779	
	MP	0.991	91,110,234	
			1,375,873,826	
2003	BI	0.999	708,363,413	0.996
	PD	0.994	550,679,890	
	MP	0.988	92,643,766	
			1,351,687,069	

(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	\$163,925	-9.3%
Property Damage	108,193	2.4%
(1) Liability Total	272,118	-4.6%

Motorcycles	FILED CHANGE
(2) Liability	-5.2%
(3) Motorcycle Liability factor = [(1.0 + (2)) / (1.0 + (1))]	0.994

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

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

NOTICE TO MANUALHOLDERS

**PERSONAL AUTO MANUAL – NORTH CAROLINA
NOTICE 2006-008**

IMPORTANT NOTE

Please note the following revisions have been released with subsequent effective dates:

- Notice PA-NC-2006-RU-005, effective 10/01/2006, NCRB Circular Letter A-06-4
- Notice PA-NC-2006-RU-006, effective 10/01/2006, NCRB Circular Letter A-06-9
- Notice PA-NC-2006-RU-007, effective 11/15/2006, NCRB Circular Letters A-06-7 & A-06-8

The revisions contained in the above Notices should **NOT** be used until their respective effective dates.

CAUTION

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

INSTRUCTIONS TO MANUALHOLDERS

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

EFFECTIVE DATE

This new manual rule is effective July 10, 2006.

Note:

We are distributing this Notice with an edition date of November, 2006.

CHANGE(S)

This Notice introduces Rule **4.H.** – Optional Rating Characteristics. This new manual Rule is designed to allow member companies additional flexibility in rating Personal Automobile Policies. The intent of this Rule is to allow member companies the option of using these rating characteristics, separately or in combination with the previously approved classification plan, in developing deviations that are filed directly with the Department of Insurance.

Please note that the rating factor for any combination of the characteristics included in this Rule cannot exceed 1.00 unless the resulting premium by coverage does not exceed the Rate Bureau premium by coverage.

REVISED PAGE(S)

NC-GR-3, NC-GR-4

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-06-06 (07/10/2006) 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 **11-06**.
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.

PAGE NUMBER	EDITION		PAGE NUMBER	EDITION	
	NUMBER	DATE		NUMBER	DATE
Notice No. 2006-008	–	11-06	NC-GR-20	9th	10-89
Rule Numbers and Subjects	First Reprint	Eff. 7-1-82	NC-GR-21	12th	7-03
			NC-GR-22	10th	7-03
			NC-GR-23	20th	5-06
			NC-GR-24	21st	11-06
Index-a, b	12th	12-96	NC-GR-25	18th	11-06
Index-c	9th	12-96	NC-GR-26	6th	5-06
NC-E-Coding	1st	5-89	NC-GR-27	7th	10-01
			NC-GR-28	11th	5-06
NC-GR-1	9th	7-04	NC-GR-29	15th	5-06
NC-GR-2	11th	7-04	NC-GR-30	7th	5-06
NC-GR-3	14th	11-06	NC-GR-31	14th	5-06
NC-GR-4	21st	11-06	NC-GR-32	18th	10-06
NC-GR-5	21st	10-06	NC-GR-33	12th	11-06
NC-GR-6	16th	10-03	NC-GR-34	8th	10-06
NC-GR-7	16th	3-04	NC-GR-35	2nd	10-06
NC-GR-8	10th	1-98	PA-R-1	13th	11-06
NC-GR-9	9th	2-00	PA-R-2	23rd	10-06
NC-GR-10	10th	11-06	PA-R-3 thru PA-R-15	20th	11-06
NC-GR-11	6th	1-03	PA-R-16	19th	11-06
NC-GR-12	4th	10-89	PA-R-17, PA-R-18	18th	11-06
NC-GR-13	7th	10-89	PA-R-19, PA-R-20	15th	11-06
NC-GR-14	6th	10-89	PA-R-21	10th	11-06
NC-GR-15, NC-GR-16	11th	10-89	NC-T-1 thru NC-T-4	3rd	10-89
NC-GR-17	9th	10-89	NC-T-5, NC-T-6	2nd	10-89
NC-GR-18	7th	10-89	NC-T-7 thru NC-T-9	1st	10-89
NC-GR-19	11th	10-89			

**NORTH CAROLINA
PERSONAL AUTO MANUAL
RULE NUMBERS AND SUBJECTS**

- 1. DEFINITIONS**
- 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**
- 18. INCREASED LIMITS**
- 19. MISCELLANEOUS TYPES**
- 20. FINANCED AUTOS**
- 21. STATE RATE, TERRITORY SHEETS**
- 22. INSTALLMENT PAYMENTS**
- 23. EXCESS INDEMNITY POLICY**

**PERSONAL AUTO MANUAL
INDEX**

NORTH CAROLINA (32)

RULE NO.		PAGE NO.
A		
5.	ACCIDENTS	NC-GR-6
9.	ADDITIONAL COVERAGE (See Changes)	NC-GR-13
19.	ANTIQUE AUTOS	NC-GR-33
14.	AUDIO, VISUAL AND DATA ELECTRONIC EQUIPMENT AND TAPES, RECORDS, DISCS AND OTHER MEDIA COVERAGE	NC-GR-25 NC-GR-26
14.	AUTO DEATH INDEMNITY OR BENEFITS, SPECIAL DISABILITY BENEFITS AND TOTAL DISABILITY BENEFITS	NC-GR-26
B		
18.	BODILY INJURY INCREASED LIMITS	NC-GR-28
C		
19.	CAMPER (OR RECREATIONAL) TRAILERS	NC-GR-29
10.	CANCELLATION (of Coverage or Policy)	NC-GR-14
	Pro Rata Tables	NC-GR-16
	Short Rate Tables	NC-GR-18
15.	CERTIFIED RISKS – FINANCIAL RESPONSIBILITY	NC-GR-27
9.	CHANGES	NC-GR-13
19.	CLASSIC AUTOS	NC-GR-33
4.	CLASSIFICATIONS	NC-GR-2
3.	CLEAN RISKS CEDED TO NORTH CAROLINA REINSURANCE FACILITY	NC-GR-2
3.	COMBINED RATING FACTOR	NC-GR-2
14.	COMBINED UNINSURED AND UNDERINSURED MOTORISTS COVERAGE	NC-GR-24
–	COMPREHENSIVE AND COLLISION:	
14.	Deductibles	NC-GR-25
1.	Definition (of Comprehensive Coverage)	NC-GR-1
12.	Rating Symbols Not Displayed on Rate Pages	NC-GR-21
5.	CONVICTIONS	NC-GR-5
4.	CORPORATION, CO-PARTNERSHIP, UNINCORPORATED ASSOCIATION VEHICLES	NC-GR-2
14.	COVERAGE FOR RENTED VEHICLES	NC-GR-27
D		
14.	DEDUCTIBLE INSURANCE	NC-GR-25
14.	Comprehensive	NC-GR-25
14.	Collision	NC-GR-25
14.	Liability	NC-GR-25
1.	DEFINITIONS	NC-GR-1
1.	Auto	NC-GR-1
1.	Comprehensive	NC-GR-1
1.	Liability	NC-GR-1
4, 5.	Multi-Car Risks	NC-GR-3 NC-GR-8
5.	New Business	NC-GR-9
1.	Owned	NC-GR-1
1.	Private Passenger Auto	NC-GR-1
5.	Renewal Business	NC-GR-9
4.	Use Classifications	NC-GR-2
5.	DRIVING RECORD POINTS	NC-GR-5
5.	DRIVING RECORD SUB-CLASSIFICATION	NC-GR-7
3, 5.	DRIVING RECORD SURCHARGE PREMIUM	NC-GR-2 NC-GR-8

RULE NO.		PAGE NO.
E		
2.	ELIGIBILITY – PERSONAL AUTO COVERAGE	NC-GR-1
5.	ELIGIBILITY – SAFE DRIVER INSURANCE PLAN.....	NC-GR-4
23.	EXCESS INDEMNITY POLICY.....	NC-GR-34
5.	EXPERIENCE PERIOD	NC-GR-7
17.	EXTENDED NON-OWNED LIABILITY COVERAGE	NC-GR-28
14.	EXTENDED TRANSPORTATION EXPENSES COVERAGE.....	NC-GR-25
F		
20.	FINANCED AUTOS	NC-GR-33
15.	FINANCIAL RESPONSIBILITY FILING	NC-GR-27
G		
19.	GOLFMOBILES	NC-GR-32
I		
18.	INCREASED LIMITS.....	NC-GR-28
22.	INSTALLMENT PAYMENTS.....	NC-GR-34
3, 4.	INEXPERIENCED OPERATOR.....	NC-GR-1
	.....	NC-GR-4
L		
18.	LIABILITY INCREASED LIMITS TABLES.....	NC-GR-28
M		
7.	MINIMUM PREMIUM RULE	NC-GR-12
14.	MISCELLANEOUS COVERAGES	NC-GR-23
19.	MISCELLANEOUS TYPES.....	NC-GR-29
19.	Antique Autos.....	NC-GR-33
19.	Classic Autos	NC-GR-33
19.	Golfmobiles	NC-GR-32
19.	Motorcycles, Motorscooters, Motorbikes, Mopeds, etc.....	NC-GR-31
4.	Pickup Trucks and Vans	NC-GR-3
19.	Snowmobiles.....	NC-GR-32
19.	Trailers (Camper, Recreational and All Other)	NC-GR-29
	.....	NC-GR-30
	.....	NC-GR-31
6.	MODEL YEAR FOR FIRE, THEFT, COMBINED ADDITIONAL COVERAGE, COMPREHENSIVE AND COLLISION COVERAGE.....	NC-GR-12
19.	MOTORCYCLES, MOTORSCOOTERS, MOTORBIKES, MOPEDS, ETC.....	NC-GR-31
4, 5.	MULTI-CAR RISK	NC-GR-3
	.....	NC-GR-8
N		
16.	NAMED NON-OWNER POLICY	NC-GR-28
17.	NON-OWNED AUTO COVERAGE	NC-GR-28
14.	NON-OWNERS – UNINSURED MOTORISTS INSURANCE	NC-GR-24
3.	NORTH CAROLINA REINSURANCE FACILITY – CLEAN RISKS CEDED TO	NC-GR-2
P		
2.	PERSONAL AUTO COVERAGE – ELIGIBILITY	NC-GR-1
4.	PICKUP TRUCKS AND VANS.....	NC-GR-3
8.	POLICY PERIOD	NC-GR-12
3.	PREMIUM DETERMINATION	NC-GR-1
4.	PRIMARY CLASSIFICATIONS.....	NC-GR-2
3, 4.	PRIMARY CLASSIFICATION RATING FACTORS AND STATISTICAL CODES.....	NC-E-Coding
1.	PRIVATE PASSENGER AUTO, DEFINITION	NC-GR-1
10.	PRO RATA TABLES	NC-GR-16
	.....	NC-GR-17
18.	PROPERTY DAMAGE INCREASED LIMITS	NC-GR-29

RULE NO.		PAGE NO.
R		
21.	RATE AND TERRITORY PAGES	NC-GR-33
–	RATING FACTORS:	
3.	Combined Rating Factor	NC-GR-2
12.	Comprehensive and Collision – For Symbols Not Displayed on Rate Pages	NC-GR-21
14.	Deductibles	NC-GR-25
3, 4.	Inexperienced Operator	NC-GR-4
18.	Liability Increased Limits	NC-GR-28
3, 4.	Primary Classification	NC-GR-2
3, 5.	Safe Driver Insurance Plan (SDIP)	NC-GR-2
	.....	NC-GR-4
	.....	NC-GR-11
3, 4.	Single and Multi-Car Risks	NC-GR-1
	.....	NC-GR-3
	.....	NC-GR-8
19.	RECREATIONAL VEHICLES	NC-GR-29
S		
5.	SAFE DRIVER INSURANCE PLAN (SDIP)	NC-GR-4
5.	SAFE DRIVER INSURANCE PLAN (SDIP) RATING FACTORS AND STATISTICAL CODES	NC-GR-11
3, 5.	SDIP RATING FACTOR(S)	NC-GR-2
	.....	NC-GR-4
	.....	NC-GR-11
5.	SDIP SURCHARGE	NC-GR-8
	.....	NC-GR-9
10.	SHORT RATE TABLES	NC-GR-18
8.	SHORT TERM POLICIES	NC-GR-12
3, 4, 5.	SINGLE AND MULTI-CAR RISKS	NC-GR-1
	.....	NC-GR-3
	.....	NC-GR-8
19.	SNOWMOBILES	NC-GR-32
–	STATISTICAL CODING SHEET	NC-E-Coding
13.	SUSPENSION	NC-GR-22
12.	SYMBOLS NOT DISPLAYED ON STATE RATE SHEETS	NC-GR-21
T		
5.	TOTAL BASE PREMIUM	NC-GR-8
14.	TOWING AND LABOR COSTS	NC-GR-25
19.	TRAILERS – RECREATIONAL, CAMPER, ALL OTHERS	NC-GR-29
U		
14.	UNDERINSURED MOTORISTS COVERAGE (COMBINED WITH UNINSURED MOTORISTS COVERAGE)	NC-GR-24
14.	UNINSURED MOTORISTS COVERAGE ONLY	NC-GR-23
14.	UNINSURED AND UNDERINSURED MOTORISTS COVERAGE COMBINED	NC-GR-24
4.	USE CLASSIFICATIONS	NC-GR-2
W		
11.	WHOLE DOLLAR PREMIUM	NC-GR-21

**NORTH CAROLINA STATISTICAL
CODING SHEET**

PRIMARY CLASSIFICATION CODES*

No Inexperienced Operators

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

Inexperienced Operators

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

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

1. DEFINITIONS

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

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

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

2. PERSONAL AUTO POLICY – ELIGIBILITY

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

Exceptions

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

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

3. PREMIUM DETERMINATION

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

3. PREMIUM DETERMINATION (Cont'd)

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

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

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

For autos not eligible for SDIP:

Add +0.10 to the Combined Rating Factor determined above.

Use statistical code 95.

3. Model Year and Symbol Determination

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

If the rates for a model year are not displayed in the rate pages, use the rates shown for the latest model year.

- b. If no Rating Symbol is shown in the Symbol and Identification (S&I) Section, use the following procedure to determine an interim rating symbol.

- (1) If the S&I Section displays a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, use the prior model year's Rating Symbol for the new model year vehicle.

- (2) If the S&I Section does NOT display a rating symbol for the PRIOR MODEL YEAR version of the same vehicle, assign a symbol based on the cost new of the auto, using the Price/Symbol Chart located in the reference pages of the S&I Section.

4. Refer to Territory Definitions to determine the territorial schedule code number for the location where the auto is principally garaged.

5. Refer to the state rate pages to determine base rates for the desired coverage for the appropriate territory.

Note

Clean Risks Ceded to the North Carolina Reinsurance Facility (Statistical Code 02).

The rates charged for "clean risks" ceded to the North Carolina Reinsurance Facility shall not exceed the rates charged "clean risks" not ceded to the Reinsurance Facility. The rates for "clean risks" ceded to the North Carolina Reinsurance Facility are set forth on the state rate page showing rates for Voluntary Business and "Clean Risks" Ceded to the North Carolina Reinsurance Facility.

For the purpose of this rule, a "clean risk" shall be any owner of a motor vehicle that is classified as a private passenger auto if the owner and the principal operator and each licensed operator in the owner's household:

- a. Have two years driving experience as a licensed driver, which experience is determined in the manner provided in Rule 4.G.1., and
 - b. Have **not** been assigned any Safe Driver Insurance Plan points during the three year period immediately preceding the date of application for motor vehicle insurance or the date of preparation for a renewal motor vehicle insurance policy.
6. The premium for each coverage is determined by multiplying the base rate by the Combined Rating Factor, then adding the Driving Record Surcharge Premium applicable to the coverage for each auto.

4. CLASSIFICATIONS

The provisions of this rule apply separately to the premiums for Bodily Injury and Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

- A. Autos owned by an individual or owned jointly by two or more individuals are classified as follows:

Refer to Section C. below for definitions of terms used in this rule.

Code	Class	Definitions
114	1A	There is no BUSINESS USE of the auto and the auto is not DRIVEN TO OR FROM WORK OR SCHOOL.
116	1B	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of less than 10 road miles one way.
117	1C	There is no BUSINESS USE of the auto but the auto is DRIVEN TO OR FROM WORK OR SCHOOL a distance of 10 or more road miles one way.
118	3	The auto is used for BUSINESS USE.
119	1AF	The auto is a FARM AUTO.

- B. Private passenger autos owned by corporations, co-partnerships, or unincorporated associations shall be rated as Class 3.

4. CLASSIFICATIONS (Cont'd)

Exceptions

1. For corporations, co-partnerships or unincorporated associations owning less than five motor vehicles:

An owned private passenger auto principally furnished to a specified individual shall be classified and rated as if owned by that individual, in accordance with Rule 4.A., provided the auto is not used for business purposes.

2. For Farm family co-partnerships or Farm family corporations:

An owned private passenger auto principally garaged on a farm or ranch shall be rated as Class 1AF provided the vehicle is:

- a. Not used in any occupation other than farming or ranching, or
- b. Not customarily used in going to or from work other than farming or ranching.

C. Definitions

1. **BUSINESS USE** means that the use of the auto is required by or customarily involved in the duties of the applicant or any other person customarily operating the auto, in an occupation, profession or business, other than going to or from the principal place of occupation, profession or business.
2. **FARM AUTO** means the auto is principally garaged on a farm or ranch, and
 - a. It is not customarily used in going to or from work other than farming or ranching, or driving to or from school, and
 - b. It is not customarily used in any occupation other than farming or ranching.
3. **DRIVEN TO OR FROM WORK OR SCHOOL** means the auto is customarily used in the course of driving to or from work or school and shall include:
 - a. The use of the auto in a car pool or other share the ride arrangement.
 - b. Driving part way to or from work or school whether or not the auto is parked at a depot during the day.

Note

If an auto is driven to or from work or school on less than a daily basis, the classification used in rating the auto shall be subject to the following:

- (1) If otherwise in Class 1B, the auto shall be classified as 1A if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

- (2) If otherwise in Class 1C the auto shall be classified as 1B if the total usage of the car in driving to or from work or school is not more than 2 days per week or not more than 2 weeks per 5 week period.

Refer to company for certification form.

4. **RESIDENT** means anyone residing in the same household as the applicant and shall include an individual absent from the household while attending school. An individual in active military service with the armed forces of the United States of America shall **not** be included as resident in the same household unless such individual customarily operates the auto.

D. Single and Multi-Car Risks

The applicable Multi-Car Rating Factor shall apply if two or more four wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household are insured in the same policy.

Exception

If a company's procedure does not permit insuring all vehicles in the same policy, the applicable Multi-Car Rating Factor shall apply only if the company insures two or more four-wheel private passenger autos owned by an individual or owned jointly by two or more individuals resident in the same household.

This discount does not apply to antique autos as defined in the Miscellaneous Types Rule.

LIABILITY COVERAGES ONLY

- E. An auto subject to Class 3 rates because of use in the business of the United States Government by one of its employees may be classified and rated as Class 1A, 1B, or 1C when the applicable endorsement is used to limit coverage.

F. Inexperienced Operator**LIABILITY, MEDICAL PAYMENTS AND COLLISION**

1. The appropriate Inexperienced Operator Surcharge shall be applied for each owner or resident operator of the auto who has less than three years driving experience as a licensed driver. The number of years driving experience is determined by the insurer from a verifiable motor record obtained from the Division of Motor Vehicles or from the governmental entity responsible for maintaining drivers license records.

Only driving experience in the United States of America, Canada or Puerto Rico may be used to determine the number of years of driving experience as a licensed driver.

The surcharge shall not be applied for more than three years regardless of policy term or effective date.

Note

A driver who holds a learner's permit only shall not be deemed a licensed driver for the purpose of determining the inexperienced operator premium surcharge.

4. CLASSIFICATIONS (Cont'd)

2. If there are two or more autos in the same household as the applicant, the inexperienced operator rates shall be applied separately to the number of autos equal to the number of inexperienced operators. Inexperienced operator rates shall not be used in rating such autos in excess of the number of inexperienced operators.

The inexperienced operator surcharge(s) shall be applied to the auto(s) which the inexperienced operator principally operates. In the case of an occasional operator, the surcharge shall be applied to the auto most frequently operated by the inexperienced operator.

G. Airbag Discount

The following discounts apply to Medical Payments Coverage Only. To qualify, the private passenger auto must be equipped with a factory installed airbag(s) which conforms to the federal crash protection requirements, and meets the criteria of either Paragraph 1. or 2. below:

1. 20% discount shall be afforded when the airbag is installed in the driver-side-only position.
2. 30% discount shall be afforded when the airbags are installed in both front outboard seat positions.

H. Optional Rating Characteristics

Companies may use the following optional rating characteristics or any combination of such optional rating characteristics and Bureau filed classifications to determine rates by coverage, as long as applicable legal requirements are satisfied. The resulting premium by coverage shall not exceed the premium that would have been determined using the rates, rating plans, classifications, schedules, rules and standards promulgated by the Bureau, except as provided by statute. The rating factor by coverage for any combination of the following optional risk characteristics cannot exceed 1.00, unless the resulting premium by coverage does not exceed the Bureau premium by coverage.

1. Policy characteristics not otherwise recognized in this manual. Examples include: account or multi-policy credit; tiers; continuity of coverage; coverages purchased; intra-agency transfers; number of drivers; number of vehicles; payment history; payment options; prior insurance; and new and renewal status.
2. Driver characteristics not otherwise recognized in this manual. Examples include: years of driving experience; convictions, accidents, claims or incidents; accident-free experience; accident forgiveness; annual mileage; cell phone type and usage; credit information; defensive driving course; good student; home ownership; marital status; and military status.

3. Vehicle characteristics not otherwise recognized in this manual. Examples include: airbags; customization; electronic monitoring or safety devices; engine characteristics; safety features or engineering; theft deterrence/recovery devices; place and type of garaging; type of fuel used; vehicle age, make, model and model year; and vehicle use.
4. Affinity group or other group not otherwise recognized in this manual.
5. Any other rating characteristic or combination of characteristics if filed by a company and approved by the Commissioner.

5. SAFE DRIVER INSURANCE PLAN (SDIP)

The provisions of this Rule apply separately to premiums for Bodily Injury Liability, Property Damage Liability, Medical Payments, Fire, Theft, Combined Additional Coverage, Comprehensive and Collision Coverages.

A. Eligibility

The Plan shall be applied in rating all eligible autos.

An auto is eligible for rating under this Plan if it is owned by an individual or owned jointly by two or more individuals resident in the same household provided such auto is:

1. A four wheel auto of the private passenger or station wagon type, or
2. A motor vehicle that is a pickup truck or van, if it:
 - a. Has a Gross Vehicle Weight as specified by the manufacturer of less than 10,000 lbs.; and
 - b. Is not used for the delivery or transportation of goods or materials unless such use is:
 - (1) Incidental to the insured's business of installing, maintaining or repairing furnishings or equipment; or
 - (2) For farming or ranching, or
3. A motorcycle, motorized scooter, auto glide or other similar motorized vehicle of the private passenger type.

Exception

The SDIP applies to policies written for a term in excess of 12 months. Such policy must provide for an annual adjustment of premium.

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

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	1.20	1.20	.80

SINGLE OR MULTI-CAR RISKS AND INEXPERIENCED OPERATOR*
 Add the following rating factors to the Primary Rating Factor:

No Inexperienced Operator			
Single or Multi-Car Risks	BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Factor 0.00	Factor 0.00	Factor 0.00
Multi-Car	Factor -0.35	Factor -0.30	Factor -0.10

Inexperienced Operator				
Single or Multi-Car Risks		BI, PD, and Med. Pay.	Collision	Comprehensive, Fire, Theft, and CAC
Single Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.50	Factor +3.40	Factor +0.70
	Less than Two Years	Factor +1.75	Factor +1.90	Factor +0.55
	Less than Three Years	Factor +1.30	Factor +1.65	Factor +0.55
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.90	Factor +2.10	Factor +0.25
	Less than Two Years	Factor +0.90	Factor +1.10	Factor +0.10
Multi-Car	Principal Operator Licensed For:			
	Less than One Year	Factor +3.15	Factor +3.10	Factor +0.60
	Less than Two Years	Factor +1.40	Factor +1.60	Factor +0.45
	Less than Three Years	Factor +0.95	Factor +1.35	Factor +0.45
	Occasional Operator Licensed For:			
	Less than One Year	Factor +1.55	Factor +1.80	Factor +0.15
	Less than Two Years	Factor +0.55	Factor +0.80	Factor +0.00
Less than Three Years	Factor +0.25	Factor +0.55	Factor -0.10	

* For Statistical Coding Requirements – Refer to page NC-E-Coding.

PRIMARY CLASSIFICATION RATING FACTORS
(Cont'd)

SAFE DRIVER INSURANCE PLAN FACTORS AND CODES			
Use the following rating factors to determine the Driving Record Surcharge Premium as explained in the Safe Driver Insurance Plan Rule.			
Use the statistical code indicated for the Driving Record Sub-Classification.			
Number of Driving Record Points	Driving Record Sub-Classification	Statistical Code	SDIP Rating Factor
0	0	00	0.00
1	1	01	0.25
2	2	02	0.45
3	3	03	0.60
4	4	04	0.80
5	5	05	1.05
6	6	06	1.30
7	7	07	1.60
8	8	08	1.90
9	9	09	2.25
10	10	10	2.60
11	11	11	3.00
12 or more	12	12	3.40
Vehicles Not Eligible For SDIP – Add the following rating factor to the otherwise applicable Combined Rating Factor. Use the statistical code shown below.			
Not Eligible	NE	95	+0.10

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

**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.

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

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.

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

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.

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

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 Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	1	.003	1	32	.088	1	60	.164	1	91	.249	1	121	.332	1	152	.416
2	2	.005	2	33	.090	2	61	.167	2	92	.252	2	122	.334	2	153	.419
3	3	.008	3	34	.093	3	62	.170	3	93	.255	3	123	.337	3	154	.422
4	4	.011	4	35	.096	4	63	.173	4	94	.258	4	124	.340	4	155	.425
5	5	.014	5	36	.099	5	64	.175	5	95	.260	5	125	.342	5	156	.427
6	6	.016	6	37	.101	6	65	.178	6	96	.263	6	126	.345	6	157	.430
7	7	.019	7	38	.104	7	66	.181	7	97	.266	7	127	.348	7	158	.433
8	8	.022	8	39	.107	8	67	.184	8	98	.268	8	128	.351	8	159	.436
9	9	.025	9	40	.110	9	68	.186	9	99	.271	9	129	.353	9	160	.438
10	10	.027	10	41	.112	10	69	.189	10	100	.274	10	130	.356	10	161	.441
11	11	.030	11	42	.115	11	70	.192	11	101	.277	11	131	.359	11	162	.444
12	12	.033	12	43	.118	12	71	.195	12	102	.279	12	132	.362	12	163	.447
13	13	.036	13	44	.121	13	72	.197	13	103	.282	13	133	.364	13	164	.449
14	14	.038	14	45	.123	14	73	.200	14	104	.285	14	134	.367	14	165	.452
15	15	.041	15	46	.126	15	74	.203	15	105	.288	15	135	.370	15	166	.455
16	16	.044	16	47	.129	16	75	.205	16	106	.290	16	136	.373	16	167	.458
17	17	.047	17	48	.132	17	76	.208	17	107	.293	17	137	.375	17	168	.460
18	18	.049	18	49	.134	18	77	.211	18	108	.296	18	138	.378	18	169	.463
19	19	.052	19	50	.137	19	78	.214	19	109	.299	19	139	.381	19	170	.466
20	20	.055	20	51	.140	20	79	.216	20	110	.301	20	140	.384	20	171	.468
21	21	.058	21	52	.142	21	80	.219	21	111	.304	21	141	.386	21	172	.471
22	22	.060	22	53	.145	22	81	.222	22	112	.307	22	142	.389	22	173	.474
23	23	.063	23	54	.148	23	82	.225	23	113	.310	23	143	.392	23	174	.477
24	24	.066	24	55	.151	24	83	.227	24	114	.312	24	144	.395	24	175	.479
25	25	.068	25	56	.153	25	84	.230	25	115	.315	25	145	.397	25	176	.482
26	26	.071	26	57	.156	26	85	.233	26	116	.318	26	146	.400	26	177	.485
27	27	.074	27	58	.159	27	86	.236	27	117	.321	27	147	.403	27	178	.488
28	28	.077	28	59	.162	28	87	.238	28	118	.323	28	148	.405	28	179	.490
29	29	.079				29	88	.241	29	119	.326	29	149	.408	29	180	.493
30	30	.082				30	89	.244	30	120	.329	30	150	.411	30	181	.496
31	31	.085				31	90	.247				31	151	.414			

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

PRO RATA TABLE

July			August			September			October			November			December		
Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio	Day of Month	Day of Year	Ratio
1	182	.499	1	213	.584	1	244	.668	1	274	.751	1	305	.836	1	335	.918
2	183	.501	2	214	.586	2	245	.671	2	275	.753	2	306	.838	2	336	.921
3	184	.504	3	215	.589	3	246	.674	3	276	.756	3	307	.841	3	337	.923
4	185	.507	4	216	.592	4	247	.677	4	277	.759	4	308	.844	4	338	.926
5	186	.510	5	217	.595	5	248	.679	5	278	.762	5	309	.847	5	339	.929
6	187	.512	6	218	.597	6	249	.682	6	279	.764	6	310	.849	6	340	.932
7	188	.515	7	219	.600	7	250	.685	7	280	.767	7	311	.852	7	341	.934
8	189	.518	8	220	.603	8	251	.688	8	281	.770	8	312	.855	8	342	.937
9	190	.521	9	221	.605	9	252	.690	9	282	.773	9	313	.858	9	343	.940
10	191	.523	10	222	.608	10	253	.693	10	283	.775	10	314	.860	10	344	.942
11	192	.526	11	223	.611	11	254	.696	11	284	.778	11	315	.863	11	345	.945
12	193	.529	12	224	.614	12	255	.699	12	285	.781	12	316	.866	12	346	.948
13	194	.532	13	225	.616	13	256	.701	13	286	.784	13	317	.868	13	347	.951
14	195	.534	14	226	.619	14	257	.704	14	287	.786	14	318	.871	14	348	.953
15	196	.537	15	227	.622	15	258	.707	15	288	.789	15	319	.874	15	349	.956
16	197	.540	16	228	.625	16	259	.710	16	289	.792	16	320	.877	16	350	.959
17	198	.542	17	229	.627	17	260	.712	17	290	.795	17	321	.879	17	351	.962
18	199	.545	18	230	.630	18	261	.715	18	291	.797	18	322	.882	18	352	.964
19	200	.548	19	231	.633	19	262	.718	19	292	.800	19	323	.885	19	353	.967
20	201	.551	20	232	.636	20	263	.721	20	293	.803	20	324	.888	20	354	.970
21	202	.553	21	233	.638	21	264	.723	21	294	.805	21	325	.890	21	355	.973
22	203	.556	22	234	.641	22	265	.726	22	295	.808	22	326	.893	22	356	.975
23	204	.559	23	235	.644	23	266	.729	23	296	.811	23	327	.896	23	357	.978
24	205	.562	24	236	.647	24	267	.732	24	297	.814	24	328	.899	24	358	.981
25	206	.564	25	237	.649	25	268	.734	25	298	.816	25	329	.901	25	359	.984
26	207	.567	26	238	.652	26	269	.737	26	299	.819	26	330	.904	26	360	.986
27	208	.570	27	239	.655	27	270	.740	27	300	.822	27	331	.907	27	361	.989
28	209	.573	28	240	.658	28	271	.742	28	301	.825	28	332	.910	28	362	.992
29	210	.575	29	241	.660	29	272	.745	29	302	.827	29	333	.912	29	363	.995
30	211	.578	30	242	.663	30	273	.748	30	303	.830	30	334	.915	30	364	.997
31	212	.581	31	243	.666				31	304	.833				31	365	1.000

**PERSONAL AUTO MANUAL
NORTH CAROLINA**

ONE YEAR SHORT RATE TABLE

Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium	Days Policy in Force	Per Cent of One Year Premium
1	5%	95 - 98	37%	219 - 223	69%
2	6	99 - 102	38	224 - 228	70
3 - 4	7	103 - 105	39	229 - 232	71
5 - 6	8	106 - 109	40	233 - 237	72
7 - 8	9	110 - 113	41	238 - 241	73
9 - 10	10	114 - 116	42	242 - 246	74
11 - 12	11	117 - 120	43	247 - 250	75
13 - 14	12	121 - 124	44	251 - 255	76
15 - 16	13	125 - 127	45	256 - 260	77
17 - 18	14	128 - 131	46	261 - 264	78
19 - 20	15	132 - 135	47	265 - 269	79
21 - 22	16	136 - 138	48	270 - 273	80
23 - 25	17	139 - 142	49	274 - 278	81
26 - 29	18	143 - 146	50	279 - 282	82
30 - 32	19	147 - 149	51	283 - 287	83
33 - 36	20	150 - 153	52	288 - 291	84
37 - 40	21	154 - 156	53	292 - 296	85
41 - 43	22	157 - 160	54	297 - 301	86
44 - 47	23	161 - 164	55	302 - 305	87
48 - 51	24	165 - 167	56	306 - 310	88
52 - 54	25	168 - 171	57	311 - 314	89
55 - 58	26	172 - 175	58	315 - 319	90
59 - 62	27	176 - 178	59	320 - 323	91
63 - 65	28	179 - 182	60	324 - 328	92
66 - 69	29	183 - 187	61	329 - 332	93
70 - 73	30	188 - 191	62	333 - 337	94
74 - 76	31	192 - 196	63	338 - 342	95
77 - 80	32	197 - 200	64	343 - 346	96
81 - 83	33	201 - 205	65	347 - 351	97
84 - 87	34	206 - 209	66	352 - 355	98
88 - 91	35	210 - 214	67	356 - 360	99
92 - 94	36	215 - 218	68	361 - 365	100

**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	01	0.72
19	19	4.46
20	20	4.94
21	21	5.49
22	22	6.19
23	23	6.93
24	24	8.03
25	25	9.88
26	26	12.13
27	27	+

+ Develop the Comprehensive Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +2.00 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior* Model Years
1	01	0.28
2	02	0.34
3	03	0.44
4	04	0.53
5	05	0.63
6	06	0.84
15	15	3.56
16	16	4.34
17	17	5.19
18	18	6.19
19	19	7.38
20	20	8.75
21	21	12.13

1982 and Prior Model Years

Deleted: *

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 3.19 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 20% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

B. Collision

1. 1990 and Subsequent Model Year Vehicles

Apply the following factors to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1990 and Subsequent Model Years
1	01	0.88
19	19	2.43
20	20	2.51
21	21	2.64
22	22	2.75
23	23	2.86
24	24	2.99
25	25	3.23
26	26	3.50
27	27	+

+ Develop the Collision Base Rates for Symbol 27 vehicles by:

- a. Increasing the factor for Symbol 26 by +.15 for each \$10,000 or fraction of \$10,000 above \$80,000 of Original Cost, and
- b. Applying this factor to the Symbol 2 Base Rate on the state rate pages for the applicable Model Year.

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

12. RULES FOR DETERMINING PHYSICAL DAMAGE BASE RATES FOR SYMBOLS NOT DISPLAYED ON STATE RATE PAGES (Cont'd)

2. 1989 and Prior Model Year Vehicles

Apply the following factors to the Symbol 7 Base Rate on the state rate pages for the applicable Model Year:

Symbol	Code	1989 & Prior ² Model Years
1	01	0.42
2	02	0.50
3	03	0.63
4	04	0.71
5	05	0.83
6	06	0.92
15	15	2.17
16	16	2.38
17	17	2.54
18	18	2.75
19	19	2.92
20	20	3.08
21	21	3.50

▼ 1982 and Prior Model Years

a. 1976-1982 Symbol 14 Vehicles

Apply the factor 2.29 to the Symbol 7 Base Rate.

b. 1975 and Prior Vehicles above \$10,000

Increase the Symbol 7 Base Rate by 5% for each \$1,000 or fraction of \$1,000 above \$10,000 of Original Cost.

Note: Struck through material will be deleted at a later date. As of July 1, 2003 the rates for the struck through factors are now displayed on the physical damage rate pages.

C. Original Cost means:

1. Original F.O.B. List Price for autos built in U.S.
2. Original Cost New in U.S. for specially built autos.
3. Original Cost New in U.S. for imported autos.

13. SUSPENSION

- A. Under any policy providing just Physical Damage Coverage, only Collision may be suspended.
- B. Liability Coverages may not be suspended for risks for which a financial responsibility filing is in effect.
- C. Insurance may be suspended by endorsement in accordance with the following provisions provided the period of suspension is at least thirty (30) consecutive days.
 1. Insurance may be reinstated upon the named insured's request effective not earlier than receipt of such request by the company or any of its authorized representatives.
 2. The reinstatement endorsement shall not extend the policy beyond its original expiration date.

LIABILITY AND COLLISION COVERAGES ONLY

3. Pro rata premium credit for the period of suspension shall be granted upon reinstatement subject to a minimum retention by the company of sixty days premium calculated on a short rate basis. The minimum premium retention by the company shall not apply to suspensions under Section F. of this rule.
4. If the policy expires during the period of suspension, the named insured shall be entitled to a pro rata return premium in accordance with the foregoing provisions of this rule.
5. If a policy written for less than one year is suspended but subsequently reinstated and extended for the remainder of such year, or any part thereof, or if such policy expires during the suspension period, pro rata premium credit shall be granted for the period of suspension in accordance with the foregoing provisions of the Policy Period Rule for extension of a short term policy.
- D. If collision or liability coverages are suspended on **all** owned autos, coverage for which separate premiums apply – including Uninsured Motorists Coverage, Underinsured Motorists Coverage, auto death indemnity, total disability, and specific disability benefits coverage, medical payments coverage, non-owned auto or extended liability coverage provided under the use of other autos provisions – may be continued in force without premium adjustment for these coverages.

Deleted: *

13. SUSPENSION (Cont'd)

- E. If liability or collision is suspended on all private passenger autos owned by an individual or husband and wife, use of other autos coverage for liability only, afforded without separate premium charge may be continued in force. 80% pro rata of the owned auto premium calculated in accordance with the provisions of this rule shall be returned to the insured upon reinstatement of the coverages.
- F. Insurance covering a private passenger auto which is withdrawn from service for a period of at least thirty (30) consecutive days because of a strike, may be suspended. Pro rata return premium on such vehicles shall be granted in accordance with Section (C) provided the insured furnishes the company with a letter requesting the return premium. The letter shall be written on the insured's letterhead, signed by an executive of the company and shall include the following:
 1. A description of each auto.
 2. The dates between which it was laid up because of the strike.
 3. A statement by the insured that he agrees to reimburse the company for any payment made by the company on account of any accident, claim or suit involving a coverage for an auto described in the letter for which return premium has been allowed by the company.

14. MISCELLANEOUS COVERAGES

A. Uninsured Motorists Coverage ONLY

1. Owners – (Class Code – Refer to Statistical Plan)
Bodily Injury and Property Damage Uninsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

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

- Elected to purchase Combined Uninsured/Underinsured Motorists Coverage; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Basic Limits

Basic Limits of Uninsured Motorists Coverage are \$30,000/60,000 Bodily Injury and \$25,000 Property Damage. Property Damage Uninsured Motorists Coverage is subject to an exclusion of the first \$100 of damage.

Rate – Single Vehicle* Policy	\$17
Multi-Vehicle* Policy	\$40

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

b. Increased Limits

Increased limits of Uninsured Motorists Coverage may be afforded. Property Damage limits may not exceed the Property Damage Liability limit afforded by the policy.

Uninsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 30/60	\$ 15	\$ 35
50/100	16	38
100/200	18	42
100/300	19	45
300/300	22	52
250/500	24	57
500/500	25	59
500/1,000	27	64
1,000/1,000	28	66

P.D. UM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

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

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

14. MISCELLANEOUS COVERAGES (Cont'd)

c. Additional Persons

Bodily Injury Uninsured Motorists Coverage Only may be extended to an executive officer, partner or employee of the named insured provided such additional person does not own an auto.

The charge for each additional person shall be the single car policy rate shown above.

2. Non-Owners – (Class Code 990000)

a. A Named Non-Owner Liability Policy may be extended to provide Uninsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

b. Bodily Injury Uninsured Motorists Coverage Only may be afforded to any person who does not own an auto and who is not otherwise afforded Uninsured Motorists Coverage.

Such coverage shall be written for a period of one year or three years. The charge for each person covered shall be the minimum limits single car policy rate multiplied by the following factor:

Policy Term	Factor
One Year	3.50
Three Years	5.50

B.1. Combined Uninsured/Underinsured Motorists Coverage

1. Owners – (Class Code – Refer to Statistical Plan)

Combined Uninsured/Underinsured Motorists Coverage shall be afforded under every auto liability policy insuring the owner of a motor vehicle registered or principally garaged in North Carolina.

Exceptions

This coverage shall not apply when a named insured has:

- Purchased a policy with Bodily Injury limits not greater than \$30,000/\$60,000; or
- Specifically rejected this coverage in writing and elected to purchase Uninsured Motorists Coverage ONLY; or
- Specifically rejected in writing both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverages.

a. Limits

Combined Uninsured/Underinsured Motorists Coverage limits are available only at Bodily Injury limits higher than \$30,000/60,000 and with Property Damage limits at \$25,000 or with a limit not to exceed the Property Damage Liability limit afforded by the policy. The Property Damage coverage applies only on an Uninsured Motorists basis and is subject to an exclusion of the first \$100 of damage.

Refer to Uninsured Motorists Coverage ONLY for \$30/60/25 limits.

b. Rates

Combined Uninsured/Underinsured Motorists Coverage is available at the following limits with rates per policy shown:

B.I. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 50/100	\$ 21	\$ 50
100/200	36	84
100/300	44	104
300/300	60	142
250/500	71	168
500/500	97	229
500/1,000	109	258
1,000/1,000	123	290

P.D. UM/UIM Coverage

	Single Vehicle* Policy	Multi-Vehicle* Policy
\$ 25,000	\$ 2	\$ 5
50,000	3	7
100,000	4	9
250,000	6	14
500,000	8	19
750,000	10	24
1,000,000	11	26

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

* For the purposes of this rule, the term vehicle includes a private passenger auto, motorcycle, golfmobile or other miscellaneous type vehicle.

These total rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

2. Non-Owners – (Class Code 990000)

A Named Non-Owner Liability Policy may be extended to provide Combined Uninsured and Underinsured Motorists Coverage. The annual charge per policy shall be the single car policy rate shown above for the limits of coverage selected.

Attach the applicable endorsement.

B.2. Alternative Economic Loss Coverage

An insurer may, at its option, make available Alternative Economic Loss Coverage to cover economic loss only. Coverage is **not** provided for non-economic loss.

Economic loss consists of medical care, compensation for lost earnings and replacement services, and payment of a death benefit when bodily injury results from an automobile accident caused by an uninsured or underinsured motorist.

If made available by the insurer, Alternative Economic Loss Coverage may only be made available on policies where both Uninsured Motorists and Combined Uninsured/Underinsured Motorists Coverage have been rejected in writing.

Alternative Economic Loss Coverage may be made available at the following limits with rates per policy shown:

	B.I. Limits	
	Single Car Policy	Multi-Car Policy
\$ 30/60	\$ 5	\$ 12
50/100	9	21
100/200	15	36
100/300	18	43
300/300	25	59
250/500	31	74
500/500	39	92
500/1,000	46	108
1,000/1,000	50	118

These rates are not subject to modification under the provisions of any rating plan or other manual rule.

Attach the applicable endorsement.

C. Deductible Insurance

1. Deductible Liability Insurance is not available for vehicles classified and rated in accordance with the rules of this Manual.

2. Collision Deductibles for Which No Premiums Are Shown

\$ 25 Deduct. (071)	– Charge 150% of the \$50 Deduct. Collision Premium
\$ 50 Deduct. (072)	– Charge 102% of the \$100 Deduct. Collision Premium
\$ 200 Deduct. (073)	– Charge 97% of the \$100 Deduct. Collision Premium
\$ 250 Deduct. (076)	– Charge 95% of the \$100 Deduct. Collision Premium
\$ 500 Deduct. (077)	– Charge 88% of the \$100 Deduct. Collision Premium

\$ \$1,000 Deduct. (078) – Charge 77% of the \$100 Deduct. Collision Premium

3. Comprehensive Deductibles for Which No Premiums Are Shown

\$ 50 Deduct. (003)	– Charge 95% of the Full Coverage Comprehensive Premium
\$ 100 Deduct. (010)	– Charge 90% of the Full Coverage Comprehensive Premium
\$ 250 Deduct. (055)	– Charge 77% of the Full Coverage Comprehensive Premium
\$ 500 Deduct. (726)	– Charge 60% of the Full Coverage Comprehensive Premium
\$ 1,000 Deduct. (727)	– Charge 50% of the Full Coverage Comprehensive Premium

4. Theft – \$50 Deductible – Charge 75% of the Full Coverage Theft Rate.

D. Extended Transportation Expenses Coverage

1. Eligibility

Only policies providing Comprehensive Coverage may be afforded either Extended Transportation Expenses Coverage or Increased Limits Transportation Expenses Coverage.

2. Rating

The rates for this coverage are not subject to classification rating or modification by any rating plan.

Coverage	Annual Rate Per Auto
\$15/\$450 Extended Transportation Expenses Coverage (Cov. Code 704)	\$10
\$30/\$900 Increased Limits Transportation Expenses Coverage (Cov. Code 706)	\$20
\$50/\$1,500 Additional Increased Limits Transportation Expenses Coverage (Cov. Code 768)	\$32

3. Endorsement

Attach the extended transportation expenses coverage endorsement to the policy.

E. Towing and Labor Costs

1. This coverage may be written only for Private Passenger Autos.

2. The available limit and rates are:

Limit Per Disablement	Rate – Per Car, Per Year
\$ 25	\$2
50	4
100	6
None (subject to coverage provisions)	13

3. Attach applicable endorsement.

14. MISCELLANEOUS COVERAGES (Cont'd)

F. Coverage For Damage To Your Auto – Coverage For Audio, Visual And Data Electronic Equipment

1. Coverage

Electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by the vehicle's manufacturer are automatically covered under the policy without additional premium charge. Such equipment includes, but is not limited to:

- a. Radios and stereos;
- b. Tape decks;
- c. Compact disk players or recorders;
- d. Citizens band radios;
- e. Telephones;
- f. Two-way mobile radios;
- g. Scanning monitor receivers;
- h. Television monitor receivers;
- i. Video cassette players or recorders;
- j. Audio cassette players or recorders;
- k. Personal computers; or
- l. Digital videodisk players or recorders.

However, electronic equipment or devices that record, emit, amplify, receive or transmit audio, visual or data signals which are permanently installed by **other than** the vehicle's manufacturer are subject to a sublimit of \$1,000. This sublimit may be increased to any one of the limits with the premiums per auto shown in the table below. Permanently installed means installed by bolts, brackets, or welding in a location in accordance with applicable laws and regulations for the installation of such equipment or device.

Coverage is not available for loss to:

- equipment designed or used to detect or deter radar, laser, or other speed monitoring equipment whether or not permanently installed; or
- tapes, records, discs or other media.

2. Rating

The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

Maximum Limit Of Liability For Electronic Equipment	Premium Per Auto
\$ 1,500	\$ 30
2,000	60
2,500	90
3,000	120
3,500	150
4,000	180
4,500	210
5,000	240

For limits in excess of \$5,000, charge an additional \$30 per \$500 of coverage.

3. Endorsement

Attach Coverage For Damage To Your Auto Customizing Equipment Coverage, Coverage For Audio, Visual And Data Electronic Equipment Endorsement **NC 03 15**, to the policy.

G. Auto Death Indemnity Or Benefits, Specific Disability Benefits And Total Disability Benefits Rates

1. Automobile Death Indemnity or Benefit, Specific Disability Benefits and Total Disability Benefits are available to any person under a policy affording auto bodily injury liability insurance with respect to an auto classified or rated as a private passenger auto.

2. Annual rates per person insured:

- a. Coverage **A** – Auto Death Indemnity or Benefit (Class Code 904000)

Principal Sum	Annual Rate
\$ 5,000	\$2
10,000	4

14. MISCELLANEOUS COVERAGES (Cont'd)

- b. Coverages A and B – Auto Death Indemnity or Benefit and Specific Disability Benefits

Dismemberment and Loss of Sight and Fractures and Dislocations. (Class Code 907000)

Principal Sum	Annual Rate
\$ 5,000	\$3
10,000	5

- c. Coverage C – Total Disability Benefits – (Class Code 903000)

Weekly Indemnity	Annual Rate
\$25	\$3
35	3
50	6

- d. Coverage D – Total Disability Benefits – Maximum 200 weeks. (Class Code 905000)

Weekly Indemnity	Annual Rate
\$25	\$2
35	3
50	5

3. For the addition of one or more of the coverages to outstanding policies, charges per month, or fraction thereof, of 10% of the applicable annual rates shall be made. These charges shall be subject to a minimum total charge of \$2 per policy or endorsement, and to a maximum total charge of the total of the annual rates for the coverages afforded.

H. Repair or Replacement Coverages**1. Five Year Coverage**

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST for losses caused by other than fire, theft, larceny, malicious mischief or vandalism.
- b. Repair or Replacement Coverage is available:
- (1) Only for autos purchased new.
 - (2) Only if this coverage is added within 60 days after purchase of the new auto. If the coverage is added after the date of purchase of the new auto, coverage does not become effective until the date of purchase of this coverage.
 - (3) Only if this coverage is maintained continuously on the auto.
 - (4) If the auto is not more than 5 years old. The age of the auto shall be determined by subtracting the year the endorsement was first added to the policy for that auto from the year of inception of the current annual period of the policy.
 - (5) Only if the collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 15% of the combined collision and other than collision premiums.

- d. Attach Endorsement **NC 03 11**.

2. One Year Coverage

- a. Coverage for Damage to Your Auto can be changed from ACTUAL CASH VALUE to REPLACEMENT COST.

- b. Replacement Cost Coverage is available:

- (1) Only for autos purchased new by the policyholder or applicant with less than 150 miles on the odometer.
- (2) Only if this coverage is added within 60 days after the purchase of the new auto. If the coverage is added after the date of purchase of the new auto coverage does not become effective until the date of purchase of this coverage.
- (3) Only if this coverage is maintained continuously on the auto.
- (4) Only if collision and other than collision coverages are carried for the auto.

- c. Rates

Charge 10% of the combined collision and other than collision premiums.

- d. Duration of Coverage

This coverage will apply until one year from the date of purchase of the new auto or an odometer reading of 15,000 miles, whichever comes first.

- e. Attach Endorsement **NC 03 12**.

I. Coverage for Rented Vehicles

1. Insurers may offer coverage for rented vehicles with every motor vehicle policy covering a motor vehicle registered in North Carolina. Attach the Coverage for Rented Vehicles endorsement to the policy.
2. Rating
 - a. To add Coverage for Rented Vehicles, charge an annual premium of \$4 for personal auto liability policies which provide both comprehensive and collision coverages.
 - b. To add Coverage for Rented Vehicles, charge an annual premium of \$16 for personal auto liability policies which do not provide both comprehensive and collision coverages.
 - c. The premium for Coverage for Rented Vehicles is not subject to classification or modification by any rating plan.
3. Cancellation

If Coverage for Rented Vehicles is cancelled by the insured, the entire annual premium shall be fully earned by the company.

14. MISCELLANEOUS COVERAGES (Cont'd)

J. Original Equipment Manufacturer (OEM) Parts Loss Settlement

1. Coverage

A loss settlement Original Equipment Manufacturer (OEM) Parts coverage option may be made available when physical damage coverage is afforded under a policy. The OEM parts loss settlement option is subject to the following:

- a. If a repair results in the replacement of exterior sheet metal and/or exterior plastic parts, OEM parts shall be used if such parts are available.

If OEM parts are not available, non-OEM parts may be used.

- b. If a repair results in the replacement of any damaged parts other than exterior sheet metal and/or exterior plastic parts, the insurer may require or specify the use of non-OEM parts.

2. Rating

Charge 5% of the otherwise applicable premium for Comprehensive and 5% of the otherwise applicable premium for Collision coverages.

3. Endorsement

Attach the Loss Settlement – Original Equipment Manufacturer Parts Endorsement to the policy.

K. Coverage For Damage To Your Auto – Customizing Equipment Coverage

1. Coverage

Custom furnishings or equipment are automatically covered under the policy up to \$1,000 without additional premium charge. This limit may be increased.

Custom furnishings or equipment includes, but is not limited to:

- a. Special carpeting and insulation, furniture or bars;
- b. Facilities for cooking and sleeping;
- c. Height extending roofs or ladders;
- d. Custom windows, murals, paintings or other decals or graphics;
- e. Tool boxes and fifth wheel conversions;
- f. Side exhausts and headers;

- g. Winches and roll bars;
- h. Special wheels/tires; or
- i. Body or suspension alterations.

Note

The optional coverage buybacks for customized furnishings or equipment that are described in 2. below do not apply to the following:

- Camper bodies (refer to Rule 19.A.); and
- Caps, covers or bedliners.

2. Rating

- a. The provisions of Rule 4. Classifications and Rule 5. Safe Driver Insurance Plan do not apply for this coverage.

- b. The \$1,000 limit for custom furnishings or equipment may be increased to any one of the limits with premiums per auto shown below.

Maximum Limit Of Liability For Customizing Equipment	Premium Per Auto
\$ 2,000	\$ 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

19. MISCELLANEOUS TYPES (Cont'd)

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

Liability Coverages Only

With respect to voluntary risks and "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable voluntary private passenger bodily injury, property damage and medical payments* rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage	Medical Payments*
0 - 499	0.17	0.38
500 - 1249	0.27	0.38
1250 - 1499	0.37	0.38
1500 - up	0.49	0.38

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

With respect to other than "clean risks" ceded to the North Carolina Reinsurance Facility, determine the appropriate premium by applying the following factors to the applicable ceded private passenger bodily injury and property damage rates. For Uninsured Motorists Coverage and Combined Uninsured/Underinsured Motorists Coverage, charge the applicable private passenger premium shown in Rule 14.

Engine Size Cubic Centimeters (cc)	Bodily Injury and Property Damage
0 - 499	0.16
500 - 1249	0.26
1250 - 1499	0.36
1500 - up	0.47

Physical Damage Coverages Only

All Motorcycles and Motorscooters with three wheel chassis shall be rated as Commercial Types. Motorcycles with side-car attachment used for transportation or delivery of goods or merchandise shall be rated as Commercial Types.

	MOTOR-CYCLES (Except COMMERCIAL TYPES)	MOTOR-SCOOTERS (Except COMMERCIAL TYPES)	COMMERCIAL TYPES (Motorcycles and Motorscooters)
RATES PER \$100 OF INSURANCE			
Fire Rates -	\$.50	\$.50	\$.50
Theft Rates -	1.14	.88	.50

Combined Additional Coverage without Malicious Mischief & Vandalism - 17 cents per \$100 of insurance.

Combined Additional Coverage with Malicious Mischief & Vandalism - 22 cents per \$100 of insurance.

Collision - MOTORCYCLES AND MOTORSCOOTERS (Except Commercial Types):

1989 and Prior Model Years

Charge the following Percentages of the Symbol 7 Private Passenger Collision Rate for the applicable model year:

1990 and Subsequent Model Years

Charge the following Percentages of the Symbol 2 Private Passenger Collision Rate for the applicable model year:

Engine Size Cubic Centimeters (cc)	Percentage
0 - 100	29%
101 - 200	48%
201 - 300	66%
301 - 450	106%
451 - 600	115%
601 - 750	161%
751 - 900	220%
901 - 1,000	286%
Over 1,000	353%

Collision - COMMERCIAL TYPES (Motorcycles and Motorscooters):

Charge 75% of the Collision premiums for symbols determined in accordance with the table above.

Note

The Classification and Sub-Classification Rating Plans are applicable in rating all vehicles under this rule for all coverages. (See Rule 4. and Rule 5.)

C. SNOWMOBILES and similar vehicles equipped for travel over ice and snow, used principally off public roads, shall be rated as follows:

Liability Coverages Only

(Class Code 967000) - Excluding Passenger Hazard

(Class Code 959000) - Including Passenger Hazard

1. Bodily Injury (excluding the passenger hazard) - \$20, \$30,000/60,000 limits.
Bodily Injury (including the passenger hazard) - \$60, \$30,000/60,000 limits.
2. Property Damage - \$10, \$25,000 limits
3. Medical Payments - \$10, \$500 per person (no other limits).
4. Uninsured Motorists Coverage
Charge rates shown in Rule 14.
5. All rates apply for the period of coverage.
6. The applicable endorsement shall be attached to the policy.

19. MISCELLANEOUS TYPES (Cont'd)

Physical Damage Coverages Only
(Class Code 959000)

- 7. Comprehensive
\$100 Deductible – \$2.00 per \$100.
- 8. Collision
\$100 Deductible – \$2.00 per \$100.

Note

- a. Only Stated Amount Coverage is available.
 - b. A snowmobile and trailer designed to be towed by the snowmobile shall be considered one unit for determining the deductible amount to any loss, provided said trailer is described in the schedule on the endorsement.
9. The applicable endorsement shall be attached to the policy.
10. All rates apply for the period of coverage.

D. Golfmobiles

Vehicles commonly known as Golfmobiles, used principally off public roads, not used for commercial purposes, with capacity to carry one or more persons.

Note

Vehicles of this type not meeting the above qualifications, rate as a motorcycle.

Liability Coverages Only

- 1. Charge 25% of the applicable private passenger Base Premiums. (Class Code 943500)
- 2. All rates apply for the period of coverage.

Physical Damage Coverages Only

Fire – \$.60 per \$100 of Insurance.
Theft – \$.20 per \$100 of Insurance.

Collision –

Original Cost New	\$25 Ded.	\$50 Ded.	\$100 Ded.
\$ 0 – 750	\$16	\$10	\$ 8
751 & Over	24	15	10

E. Antique Autos

An antique auto is a motor vehicle of the private passenger type which is 25 or more years old that is maintained solely for use in exhibitions, club activities, parades and other functions of public interest, and occasionally used for other purposes.

Liability Coverages Only

Charge 40% of the private passenger base premiums. (Class Code 962000)

Physical Damage Coverages Only

These vehicles are to be insured on Stated Amount basis only. The rates are as shown below (Class Code 962000).

Rate Per \$100 of Insurance

Deductible	Comprehensive	Collision	Fire	Theft
\$ 50	\$1.25	\$1.50	\$.35	\$.35
100	1.10	1.25	.31	.31
250	.96	1.00	.27	.27
500	.74	.75	.21	.21

F. Classic Autos

A classic auto is a motor vehicle of the private passenger type which is 10 or more years old and may be used on a regular basis. Its value is significantly higher than the average value of other autos of the same make and model year.

Liability, Medical Payments, Uninsured and Underinsured Motorists

Classify and rate as a private passenger auto.

Physical Damage

Attach the coverage for damage to your auto (stated amount maximum limit of liability) endorsement.

- 1. Determine the stated amount of coverage applicable to the vehicle.
- 2. Assign a symbol based on the stated amount, from the table for 1990 and subsequent model years on Page 1. of the Symbol and Identification Section.

Note

Prior to October 1, 1989, the table for 1981-1989 model years in the Symbol and Identification Section should be used for symbol assignment.

- 3. Classify and rate as a private passenger auto using the base rate for the current model year.

20. FINANCED AUTOS

Financed autos shall be written at manual rates and minimum charges except for single interest coverages.

For single interest rates, rules and forms, refer to company.

21. STATE RATE, TERRITORY SHEETS

- A. The state rate sheets show rates by territory.
- B. The territory sheets contain the definitions of the territorial divisions into which the state is divided and show for each territory the statistical code and the number of the rate schedule on the state rate sheets to be used.
 - 1. Each territory as defined embraces a certain area, usually a city and its surroundings. In many cases the area so defined includes several smaller cities, towns, and villages. The following provisions are applicable in this connection:
 - a. Any city, town, or village not specifically mentioned as included within a defined territory but which is inside of the boundary of the area so defined, shall take the territory schedule for that defined territory.
 - b. If a city, town, or village extends into more than one defined territory, the territory schedule for the higher rated territory applies to the entire city, town, or village.
 - c. Unless otherwise indicated, if a street, avenue or other public way serves as a dividing line between two territories, except when the public way serves as a boundary line of any political subdivision (state, county, township, city, town, village, etc.), the rates applicable to the lower rated of the two territories shall apply to autos principally garaged on either side of such street or avenue.
 - 2. The territory sheets also contain a list of Important Cities and Towns in a state indicating the counties in which such towns are located and the territories to which they are assigned. The rate territory for a town not listed should be determined as follows:
 - a. Ascertain the county in which the town is located.
 - b. If the name of the county is included in the list of territory definitions for the state as divided into two or more rate territories, it will be necessary to refer to a map to determine in which of the rate territories the town belongs.
 - c. If the county is not so listed, then the entire county and all towns in it take the rates for the Remainder of State schedule.

22. INSTALLMENT PAYMENTS

The total premium for an auto policy is due and payable at the beginning of the policy period, unless the policy is issued on an installment payment basis in accordance with the following rules:

- A. The first installment shall be due on the effective date of the policy and the due date of the last installment shall be no later than one month prior to the policy anniversary date.
- B. An additional charge of \$3.00 shall be made for each installment.
- C. The premium paid to the company exclusive of the total installment payment charge shall never be less than the pro rata charge from the effective date of the policy to the due date of the next installment, where additional installments are to be paid, or to expiration of the policy where no further installments are due.
- D. Flat cancellation shall be accepted on business written on an installment basis only if there has been no coverage under the policy and the policy is returned to the company within thirty days. In all other cases, a pro rata earned premium shall be due to the company.
- E. This rule does not preclude the use of an installment payment plan which provides for deferring the due date of installment if the insurance is under suspension on the original due date.

23. EXCESS INDEMNITY POLICY

Bodily injury and property damage liability limits over primary limits may be afforded under an Excess Indemnity Policy with respect to an automobile classified and rated as a private passenger automobile. Primary insurance must be in force with respect to the automobile and the risk unable to obtain higher limits. If the company providing the excess limits coverage also provides the primary coverage to a risk, a letter of consent, signed by the insured, shall be secured and retained in the company's files. Refer to company for rating.

Bodily injury and property damage excess limits may be afforded separately or in conjunction with Medical Payments Insurance, Medical Payments Coverage is available on a \$100 deductible basis only. Refer to company for rating.

**PERSONAL AUTO MANUAL
RATE PAGES**

NORTH CAROLINA (32)

VOLUNTARY BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	300/300	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
6	6	8	1	4	5	6	1	2	3	4	6	
11	\$136	\$156	\$184	\$209	\$159	\$161	\$164	\$16	\$21	\$26	\$37	\$54
13	202	232	273	311	194	196	200	24	32	38	56	81
14	189	217	255	291	187	189	193	22	29	35	51	74
15	206	237	278	317	185	187	191	24	32	38	56	81
16	175	201	236	270	188	190	194	21	28	34	49	71
17	215	247	290	331	191	193	197	25	33	40	59	85
18	163	187	220	251	167	169	172	19	25	30	44	64
24	151	174	204	233	148	149	152	18	24	29	42	61
25	191	220	258	294	176	178	181	22	29	35	51	74
26	246	283	332	379	160	162	165	29	39	46	68	98
31	192	221	259	296	168	170	173	23	31	37	54	78
32	155	178	209	239	157	159	162	18	24	29	42	61
33	192	221	259	296	144	145	148	23	31	37	54	78
40	236	271	319	363	194	196	200	28	37	45	66	95
41	196	225	265	302	177	179	182	23	31	37	54	78
43	189	217	255	291	151	153	156	22	29	35	51	74
47	188	216	254	290	150	152	155	22	29	35	51	74
51	153	176	207	236	178	180	183	18	24	29	42	61
52	206	237	278	317	198	200	204	24	32	38	56	81

* Including "clean risks" ceded to the North Carolina Reinsurance Facility.
See Premium Determination Rule for the definition of "clean risks".

CEDED BUSINESS*

Terr.	BODILY INJURY				PROPERTY DAMAGE			MEDICAL PAYMENTS				
	LIMIT				LIMIT			LIMIT				
	30/60	50/100	100/300	250/500	25,000	50,000	100,000	500	750	1,000	2,000	5,000
	LIMIT CODE				LIMIT CODE			LIMIT CODE				
	6	6	8	7	4	5	6	1	2	3	4	6
11	\$197	\$227	\$266	\$309	\$185	\$187	\$191	\$21	\$28	\$34	\$49	\$ 71
13	295	339	398	463	224	226	231	31	41	50	73	105
14	278	320	375	436	218	220	225	29	39	46	68	98
15	304	350	410	477	218	220	225	32	43	51	75	108
16	260	299	351	408	222	224	229	27	36	43	63	91
17	316	363	427	496	225	227	232	33	44	53	77	112
18	248	285	335	389	201	203	207	26	35	42	61	88
24	220	253	297	345	171	173	176	23	31	37	54	78
25	289	332	390	454	216	218	222	30	40	48	70	101
26	389	447	525	611	189	191	195	41	55	66	96	139
31	280	322	378	440	196	198	202	29	39	46	68	98
32	225	259	304	353	180	182	185	23	31	37	54	78
33	278	320	375	436	167	169	172	29	39	46	68	98
40	349	401	471	548	223	225	230	36	48	58	84	122
41	287	330	387	451	212	214	218	30	40	48	70	101
43	273	314	369	429	177	179	182	29	39	46	68	98
47	276	317	373	433	175	177	180	29	39	46	68	98
51	226	260	305	355	211	213	217	24	32	38	56	81
52	306	352	413	480	234	236	241	32	43	51	75	108

* 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)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	29	27	26	25	23	22	21	19	17	16	15	1	6
2	40	38	36	34	32	30	29	26	24	22	21	2	6
3	45	43	41	39	36	34	32	30	27	25	23	3	9
4	50	48	45	43	40	38	36	33	30	28	26	4	11
5	56	54	51	48	46	43	40	37	34	32	29	5	13
6	63	60	57	54	51	48	45	42	39	36	33	6	17
7	70	66	63	60	56	53	50	46	42	39	36	7	21
8	75	72	68	65	61	57	54	49	46	43	39	8	24
10	81	78	74	70	66	62	58	54	50	46	42	10	31
11	88	84	80	76	71	67	63	58	54	49	45	11	37
12	96	92	87	82	78	73	69	63	59	54	49	12	44
13	103	98	93	89	84	79	74	68	63	58	53	13	51
14	112	106	101	96	90	85	80	73	68	63	57	14	60
15	123	117	111	105	100	93	88	81	75	69	63	15	73
16	135	129	122	116	109	103	97	89	82	76	70	16	89
17	149	142	135	128	121	114	107	98	91	84	77	17	106
18	163	155	148	140	132	124	117	107	100	92	84	18	127
19	178	169	161	152	144	136	127	117	108	100	92	19	152
20	197	188	178	169	160	150	141	130	120	111	101	20	180
21	219	209	198	188	177	167	157	144	133	123	112	21	249
22	247	235	223	212	200	188	176	162	150	139	127		
23	277	263	250	237	224	211	198	182	169	155	142		
24	320	305	290	275	260	244	229	211	195	180	165		
25	394	375	357	338	319	300	282	259	240	222	203		
26	484	461	438	415	392	369	346	318	295	272	249		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	172	165	157	148	140	131	118	108	99	90	80	1	39
2	196	187	178	168	159	148	135	123	112	101	92	2	47
3	228	217	206	194	185	172	157	144	131	118	107	3	58
4	247	236	224	211	200	187	170	155	142	127	116	4	65
5	264	251	237	226	213	198	180	165	150	135	123	5	77
6	277	264	251	237	224	208	191	174	159	142	129	6	84
7	288	275	262	247	234	217	198	181	165	148	135	7	92
8	301	286	271	258	243	226	206	189	172	155	140	8	110
10	320	305	290	275	260	241	219	202	183	165	150	10	127
11	337	320	303	288	271	252	230	211	193	172	157	11	138
12	346	329	312	295	281	260	237	217	198	178	161	12	153
13	359	342	325	309	292	271	247	226	206	185	168	13	165
14	383	365	346	329	310	288	262	241	219	196	180	14	183
15	402	383	365	346	325	303	277	252	230	208	187	15	198
16	419	398	378	359	338	314	286	264	239	215	194	16	219
17	434	413	393	372	352	327	297	273	249	223	202	17	232
18	458	436	413	393	370	344	314	288	262	236	213	18	252
19	477	454	432	410	387	359	327	299	273	245	223	19	267
20	494	469	445	423	398	370	338	310	282	254	230	20	282
21	512	488	464	439	415	385	352	322	294	264	239	21	322
22	540	514	488	464	438	406	370	340	309	279	252		
23	561	535	509	481	454	423	385	353	322	288	262		
24	587	559	531	503	475	441	402	368	335	301	275		
25	634	604	574	544	514	477	436	398	363	325	295		
26	688	655	623	589	557	518	471	432	393	353	322		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	41	39	37	35	33	31	29	27	25	23	21	1	8
2	57	54	51	49	46	43	41	37	35	32	29	2	9
3	64	61	58	55	52	49	46	42	39	36	33	3	13
4	71	68	64	61	57	54	51	46	43	40	37	4	16
5	80	76	72	69	65	61	57	52	49	45	41	5	18
6	90	86	82	77	73	69	64	59	55	51	46	6	24
7	99	94	89	85	80	75	71	65	60	56	51	7	29
8	107	102	97	92	87	82	77	70	65	60	55	8	35
10	116	110	105	99	93	88	83	76	71	65	59	10	44
11	125	119	113	107	102	96	90	82	76	70	64	11	53
12	137	130	124	117	111	104	98	90	83	77	70	12	62
13	147	140	133	126	119	112	105	97	90	83	76	13	73
14	159	151	144	136	129	121	113	104	97	89	82	14	86
15	174	166	158	150	141	133	125	115	106	98	90	15	104
16	192	183	174	165	156	146	137	126	117	108	99	16	126
17	212	202	192	182	172	161	152	139	129	119	109	17	151
18	232	221	210	199	188	177	166	152	141	130	119	18	180
19	253	241	229	217	205	193	181	166	154	142	130	19	215
20	280	267	253	240	227	213	200	184	171	157	144	20	255
21	311	296	282	267	252	237	222	205	190	175	160	21	354
22	351	334	318	301	284	267	251	231	214	197	180		
23	393	374	355	337	318	299	281	258	240	221	202		
24	455	434	412	390	369	347	325	299	278	256	234		
25	560	534	507	480	454	427	400	368	341	315	288		
26	688	655	622	590	557	524	491	452	419	387	354		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	191	183	175	164	156	146	131	121	110	100	89	1	44
2	218	208	198	187	177	164	150	137	125	112	102	2	52
3	254	241	229	216	206	191	175	160	146	131	119	3	64
4	275	262	250	235	223	208	189	173	158	141	129	4	73
5	293	279	264	252	237	220	200	183	166	150	137	5	85
6	308	293	279	264	250	231	212	193	177	158	144	6	94
7	320	306	291	275	260	241	220	202	183	164	150	7	102
8	335	318	302	287	270	252	229	210	191	173	156	8	123
10	356	339	322	306	289	268	243	225	204	183	166	10	141
11	374	356	337	320	302	281	256	235	214	191	175	11	154
12	385	366	347	329	312	289	264	241	220	198	179	12	171
13	399	381	362	343	324	302	275	252	229	206	187	13	183
14	426	406	385	366	345	320	291	268	243	218	200	14	204
15	447	426	406	385	362	337	308	281	256	231	208	15	220
16	466	443	420	399	376	349	318	293	266	239	216	16	243
17	483	460	437	414	391	364	331	304	277	248	225	17	258
18	510	485	460	437	412	383	349	320	291	262	237	18	281
19	530	505	480	456	431	399	364	333	304	272	248	19	297
20	549	522	495	470	443	412	376	345	314	283	256	20	314
21	570	543	516	489	462	428	391	358	327	293	266	21	358
22	601	572	543	516	487	451	412	379	343	310	281		
23	624	595	566	535	505	470	428	393	358	320	291		
24	653	622	591	560	528	491	447	410	372	335	306		
25	705	672	639	605	572	530	485	443	404	362	329		
26	765	728	693	655	620	576	524	480	437	393	358		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 14**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	186	178	170	160	152	141	127	117	107	97	87	1	42
2	212	202	192	182	172	160	145	133	121	109	99	2	51
3	246	234	222	210	200	186	170	156	141	127	115	3	63
4	267	255	242	228	216	202	184	168	154	137	125	4	71
5	285	271	257	244	230	214	194	178	162	145	133	5	83
6	299	285	271	257	242	224	206	188	172	154	139	6	91
7	311	297	283	267	253	234	214	196	178	160	145	7	99
8	325	309	293	279	263	244	222	204	186	168	152	8	119
10	345	329	313	297	281	261	236	218	198	178	162	10	137
11	364	345	327	311	293	273	248	228	208	186	170	11	149
12	374	356	337	319	303	281	257	234	214	192	174	12	166
13	388	370	351	333	315	293	267	244	222	200	182	13	178
14	414	394	374	356	335	311	283	261	236	212	194	14	198
15	434	414	394	374	351	327	299	273	248	224	202	15	214
16	452	430	408	388	366	339	309	285	259	232	210	16	236
17	469	446	424	402	380	354	321	295	269	240	218	17	250
18	495	471	446	424	400	372	339	311	283	255	230	18	273
19	515	491	467	442	418	388	354	323	295	265	240	19	289
20	533	507	481	457	430	400	366	335	305	275	248	20	305
21	553	527	501	475	448	416	380	347	317	285	259	21	347
22	584	556	527	501	473	438	400	368	333	301	273		
23	606	578	549	519	491	457	416	382	347	311	283		
24	634	604	574	543	513	477	434	398	362	325	297		
25	685	652	620	588	556	515	471	430	392	351	319		
26	743	707	673	636	602	560	509	467	424	382	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 16**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	176	168	160	151	143	134	120	111	101	92	82	1	40
2	201	191	181	172	162	151	138	126	115	103	94	2	48
3	233	222	210	199	189	176	160	147	134	120	109	3	59
4	252	241	229	216	204	191	174	159	145	130	118	4	67
5	269	256	243	231	218	202	183	168	153	138	126	5	78
6	283	269	256	243	229	212	195	178	162	145	132	6	86
7	294	281	267	252	239	222	202	185	168	151	138	7	94
8	308	292	277	264	248	231	210	193	176	159	143	8	113
10	327	311	296	281	265	246	223	206	187	168	153	10	130
11	344	327	309	294	277	258	235	216	197	176	160	11	141
12	353	336	319	302	287	265	243	222	202	181	164	12	157
13	367	350	332	315	298	277	252	231	210	189	172	13	168
14	392	372	353	336	317	294	267	246	223	201	183	14	187
15	411	392	372	353	332	309	283	258	235	212	191	15	202
16	428	407	386	367	346	321	292	269	244	220	199	16	223
17	443	422	401	380	359	334	304	279	254	227	206	17	237
18	468	445	422	401	378	351	321	294	267	241	218	18	258
19	487	464	441	418	395	367	334	306	279	250	227	19	273
20	504	479	455	432	407	378	346	317	288	260	235	20	288
21	523	499	474	449	424	393	359	329	300	269	244	21	329
22	552	525	499	474	447	414	378	348	315	285	258		
23	573	546	520	491	464	432	393	361	329	294	267		
24	600	571	542	514	485	451	411	376	342	308	281		
25	647	617	586	556	525	487	445	407	371	332	302		
26	703	669	636	602	569	529	481	441	401	361	329		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 17

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	180	172	165	155	147	137	123	114	104	94	84	1	41
2	206	196	186	176	167	155	141	129	118	106	96	2	49
3	239	227	216	204	194	180	165	151	137	123	112	3	61
4	259	247	235	221	210	196	178	163	149	133	122	4	69
5	276	263	249	237	223	208	188	172	157	141	129	5	80
6	290	276	263	249	235	218	200	182	167	149	135	6	88
7	302	288	274	259	245	227	208	190	172	155	141	7	96
8	316	300	284	270	255	237	216	198	180	163	147	8	116
10	335	319	304	288	272	253	229	212	192	172	157	10	133
11	353	335	318	302	284	265	241	221	202	180	165	11	145
12	363	345	327	310	294	272	249	227	208	186	169	12	161
13	376	359	341	323	306	284	259	237	216	194	176	13	172
14	402	382	363	345	325	302	274	253	229	206	188	14	192
15	421	402	382	363	341	318	290	265	241	218	196	15	208
16	439	417	396	376	355	329	300	276	251	225	204	16	229
17	455	433	412	390	368	343	312	286	261	233	212	17	243
18	480	457	433	412	388	361	329	302	274	247	223	18	265
19	500	476	453	429	406	376	343	314	286	257	233	19	280
20	517	492	466	443	417	388	355	325	296	267	241	20	296
21	537	512	486	461	435	404	368	337	308	276	251	21	337
22	566	539	512	486	459	425	388	357	323	292	265		
23	588	561	533	504	476	443	404	370	337	302	274		
24	615	586	557	527	498	463	421	386	351	316	288		
25	664	633	602	570	539	500	457	417	380	341	310		
26	721	686	653	617	584	543	494	453	412	370	337		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 18**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	29	27	26	24	23	22	20	18	17	16	1	6
2	42	40	38	36	34	32	30	28	26	24	22	2	7
3	48	45	43	41	38	36	34	31	29	27	24	3	10
4	52	50	48	45	42	40	38	34	32	30	27	4	12
5	59	56	54	51	48	45	42	39	36	33	30	5	14
6	67	64	60	57	54	51	48	44	41	38	34	6	18
7	73	70	66	63	59	56	52	48	44	41	38	7	22
8	79	76	72	68	64	60	57	52	48	45	41	8	26
10	86	82	78	74	69	65	61	56	52	48	44	10	32
11	93	88	84	80	75	71	66	61	56	52	48	11	39
12	101	96	92	87	82	77	72	66	62	57	52	12	46
13	109	104	98	93	88	83	78	72	66	61	56	13	54
14	118	112	106	101	95	90	84	77	72	66	60	14	64
15	129	123	117	111	105	98	92	85	79	73	66	15	77
16	142	136	129	122	115	108	102	94	87	80	73	16	93
17	157	150	142	135	127	120	112	103	96	88	81	17	112
18	172	164	156	147	139	131	123	113	105	96	88	18	134
19	187	178	170	160	152	143	134	123	114	105	96	19	160
20	208	198	188	178	168	158	148	136	126	116	107	20	189
21	230	220	209	198	187	176	165	152	140	130	118	21	262
22	260	248	235	223	210	198	186	171	158	146	134		
23	291	277	263	250	236	222	208	191	178	164	150		
24	337	321	305	289	273	257	241	222	206	190	174		
25	415	395	376	356	336	316	296	273	253	233	214		
26	510	485	461	437	412	388	364	335	310	286	262		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	38	36	34	32	31	29	27	24	22	21	1	8
2	56	53	50	48	45	42	40	37	34	31	29	2	9
3	63	60	57	54	51	48	45	41	38	36	32	3	13
4	69	66	63	60	56	53	50	46	42	39	36	4	15
5	78	75	71	67	64	60	56	51	48	44	40	5	18
6	89	84	80	76	72	67	63	58	54	50	46	6	23
7	97	92	87	83	78	74	69	64	59	55	50	7	29
8	105	100	95	90	85	80	75	69	64	59	54	8	34
10	113	108	103	98	92	86	81	75	69	64	58	10	43
11	123	117	111	105	100	94	88	81	75	69	63	11	52
12	134	128	121	115	109	102	96	88	82	75	69	12	61
13	144	137	130	123	117	110	103	95	88	81	74	13	72
14	156	148	141	134	126	119	111	102	95	87	80	14	84
15	171	163	155	147	139	130	122	113	104	96	88	15	102
16	189	180	171	162	153	144	135	124	115	106	97	16	123
17	208	198	188	179	169	158	149	137	127	117	107	17	148
18	227	217	206	195	184	173	163	149	139	128	117	18	177
19	248	236	225	213	201	189	178	163	151	139	128	19	211
20	275	262	249	236	223	209	197	181	167	154	142	20	251
21	305	291	277	262	248	233	218	201	186	172	157	21	347
22	345	328	312	295	279	262	246	226	210	193	177		
23	386	367	349	331	312	294	276	253	235	217	198		
24	447	426	404	383	362	340	319	294	272	251	230		
25	550	524	498	471	445	419	393	361	335	309	283		
26	675	643	611	579	546	514	482	444	411	379	347		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 25**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	32	30	29	27	26	24	22	20	18	17	1	7
2	46	44	42	40	37	35	33	30	28	26	24	2	7
3	52	50	47	45	42	40	37	34	32	29	27	3	11
4	58	55	52	50	47	44	41	38	35	33	30	4	13
5	65	62	59	56	53	50	47	43	40	37	33	5	15
6	73	70	66	63	59	56	52	48	45	41	38	6	19
7	81	77	73	69	65	61	58	53	49	45	41	7	24
8	87	83	79	75	71	66	62	57	53	49	45	8	28
10	94	90	85	81	76	72	67	62	58	53	48	10	36
11	102	97	92	88	83	78	73	67	62	57	52	11	43
12	111	106	101	95	90	85	80	73	68	62	57	12	51
13	120	114	108	103	97	91	85	79	73	67	62	13	59
14	129	123	117	111	105	99	92	85	79	73	66	14	70
15	142	136	129	122	115	108	102	94	87	80	73	15	84
16	157	149	142	134	127	119	112	103	95	88	81	16	103
17	173	165	156	148	140	132	124	114	105	97	89	17	123
18	189	180	171	162	153	144	135	124	115	106	97	18	147
19	206	196	187	176	167	157	147	136	125	116	106	19	176
20	228	217	206	196	185	174	163	150	139	128	117	20	208
21	253	242	230	217	205	193	181	167	154	143	130	21	288
22	286	272	259	245	231	218	204	188	174	161	147		
23	320	305	290	275	259	244	229	210	195	180	165		
24	371	353	336	318	301	282	265	244	226	209	191		
25	456	435	413	391	370	348	326	300	278	257	235		
26	561	534	507	480	454	427	400	368	341	315	288		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	185	177	169	159	151	141	127	117	107	96	86	1	42
2	211	201	191	181	171	159	145	133	121	109	98	2	50
3	245	233	221	209	199	185	169	155	141	127	115	3	62
4	265	253	241	227	215	201	183	167	153	137	125	4	70
5	283	269	255	243	229	213	193	177	161	145	133	5	82
6	297	283	269	255	241	223	205	187	171	153	139	6	90
7	310	295	281	265	251	233	213	195	177	159	145	7	98
8	324	308	291	277	261	243	221	203	185	167	151	8	119
10	344	328	312	295	279	259	235	217	197	177	161	10	137
11	362	344	326	310	291	271	247	227	207	185	169	11	149
12	372	354	336	318	302	279	255	233	213	191	173	12	165
13	386	368	350	332	314	291	265	243	221	199	181	13	177
14	412	392	372	354	334	310	281	259	235	211	193	14	197
15	432	412	392	372	350	326	297	271	247	223	201	15	213
16	450	428	406	386	364	338	308	283	257	231	209	16	235
17	466	444	422	400	378	352	320	293	267	239	217	17	249
18	492	468	444	422	398	370	338	310	281	253	229	18	271
19	513	488	464	440	416	386	352	322	293	263	239	19	287
20	531	505	478	454	428	398	364	334	304	273	247	20	304
21	551	525	498	472	446	414	378	346	316	283	257	21	346
22	581	553	525	498	470	436	398	366	332	299	271		
23	603	575	547	517	488	454	414	380	346	310	281		
24	631	601	571	541	511	474	432	396	360	324	295		
25	681	649	617	585	553	513	468	428	390	350	318		
26	740	704	669	633	599	557	507	464	422	380	346		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	50	48	45	43	40	38	36	33	30	28	26	1	10
2	69	66	63	59	56	53	50	46	42	39	36	2	11
3	79	75	71	67	63	59	56	51	48	44	40	3	16
4	86	83	79	75	70	66	62	57	53	49	45	4	19
5	98	93	88	84	79	75	70	64	59	55	50	5	22
6	110	105	100	94	89	84	79	73	67	62	57	6	29
7	121	115	109	104	98	92	86	79	73	68	62	7	36
8	131	125	119	112	106	100	94	86	80	74	67	8	42
10	141	135	128	121	114	108	101	93	86	79	73	10	53
11	153	146	139	131	124	117	110	100	93	86	79	11	65
12	167	159	151	143	135	127	119	110	102	94	86	12	76
13	180	171	162	154	145	137	128	118	110	101	92	13	89
14	194	185	176	166	157	148	139	127	118	109	100	14	105
15	213	203	193	183	173	162	152	141	130	120	110	15	127
16	235	224	213	201	190	179	168	154	143	132	121	16	154
17	259	247	234	222	210	197	185	170	158	146	133	17	185
18	283	270	257	243	230	216	203	186	173	159	146	18	220
19	309	294	280	265	250	236	221	203	188	174	159	19	263
20	343	326	310	294	277	261	245	225	209	192	176	20	312
21	380	362	345	326	308	290	272	250	232	214	195	21	432
22	429	409	388	368	347	327	306	282	261	241	220		
23	480	457	434	412	389	366	343	315	293	270	247		
24	556	530	504	477	451	424	397	366	339	313	286		
25	684	652	620	587	554	521	489	450	417	385	352		
26	841	801	760	721	680	640	601	552	512	473	432		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	193	185	176	166	158	147	132	122	111	101	90	1	44
2	221	210	200	189	179	166	151	139	126	113	103	2	53
3	256	244	231	218	208	193	176	162	147	132	120	3	65
4	277	265	252	237	225	210	191	174	160	143	130	4	74
5	296	281	267	254	239	223	202	185	168	151	139	5	86
6	311	296	281	267	252	233	214	195	179	160	145	6	95
7	323	309	294	277	263	244	223	204	185	166	151	7	103
8	338	321	305	290	273	254	231	212	193	174	158	8	124
10	359	342	326	309	292	271	246	227	206	185	168	10	143
11	378	359	340	323	305	284	258	237	216	193	176	11	155
12	389	370	351	332	315	292	267	244	223	200	181	12	172
13	403	384	365	347	328	305	277	254	231	208	189	13	185
14	431	410	389	370	349	323	294	271	246	221	202	14	206
15	452	431	410	389	365	340	311	284	258	233	210	15	223
16	470	447	424	403	380	353	321	296	269	242	218	16	246
17	487	464	441	418	395	368	334	307	279	250	227	17	260
18	515	489	464	441	416	386	353	323	294	265	239	18	284
19	536	510	485	460	435	403	368	336	307	275	250	19	300
20	554	527	500	475	447	416	380	349	317	286	258	20	317
21	575	548	521	494	466	433	395	361	330	296	269	21	361
22	607	578	548	521	491	456	416	382	347	313	284		
23	630	601	571	540	510	475	433	397	361	323	294		
24	659	628	596	565	533	496	452	414	376	338	309		
25	712	678	645	611	578	536	489	447	407	365	332		
26	773	735	699	662	626	582	529	485	441	397	361		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 31**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	39	37	35	33	31	30	28	26	23	21	20	1	8
2	54	51	48	46	43	41	38	35	33	30	28	2	9
3	61	58	55	52	49	46	43	40	37	34	31	3	12
4	67	64	61	58	54	51	48	44	41	38	35	4	15
5	75	72	68	65	61	58	54	49	46	42	39	5	17
6	85	81	77	73	69	65	61	56	52	48	44	6	22
7	93	89	84	80	75	71	67	61	57	53	48	7	28
8	101	96	92	87	82	77	72	66	62	57	52	8	33
10	109	104	99	94	88	83	78	72	67	61	56	10	41
11	118	113	107	101	96	90	85	78	72	66	61	11	50
12	129	123	117	111	105	98	92	85	79	72	66	12	59
13	139	132	125	119	112	106	99	91	85	78	71	13	69
14	150	143	136	129	121	114	107	98	91	84	77	14	81
15	165	157	149	141	134	125	118	109	100	93	85	15	98
16	182	173	164	156	147	138	130	119	111	102	93	16	119
17	200	191	181	172	162	152	143	132	122	113	103	17	143
18	219	209	198	188	177	167	157	144	134	123	113	18	170
19	239	227	216	205	193	182	171	157	145	134	123	19	203
20	265	252	239	227	214	201	189	174	161	148	136	20	241
21	294	280	266	252	238	224	210	193	179	165	151	21	334
22	332	316	300	284	268	252	237	218	202	186	170		
23	371	353	336	318	300	283	265	244	226	209	191		
24	430	410	389	369	348	327	307	283	262	242	221		
25	529	504	479	453	428	403	378	348	322	297	272		
26	650	619	588	557	526	495	464	427	396	365	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 32

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	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.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 33**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	55	52	49	47	44	42	39	36	33	30	28	1	11
2	76	72	68	65	61	58	54	50	46	42	39	2	12
3	86	81	77	73	69	65	61	56	52	48	44	3	17
4	94	90	86	81	76	72	68	62	58	53	49	4	21
5	107	102	96	91	86	81	76	70	65	60	55	5	24
6	120	114	109	103	97	91	86	79	73	68	62	6	32
7	132	125	119	113	107	100	94	86	80	74	68	7	39
8	143	136	130	122	116	109	102	94	87	81	73	8	46
10	154	147	140	132	125	117	110	102	94	86	79	10	58
11	167	159	151	143	135	127	120	109	102	94	86	11	71
12	182	174	165	156	148	139	130	120	111	102	94	12	83
13	196	186	177	168	158	149	140	129	120	110	101	13	97
14	212	202	192	181	171	161	151	139	129	119	109	14	114
15	233	222	211	199	189	177	166	153	142	131	120	15	138
16	256	244	232	220	207	195	183	168	156	144	132	16	168
17	283	269	256	243	229	215	202	186	172	159	145	17	202
18	309	294	280	265	251	235	221	203	189	174	159	18	240
19	337	321	305	289	273	257	241	222	205	189	174	19	287
20	374	356	338	320	302	284	267	246	228	210	192	20	341
21	415	395	376	356	336	316	297	273	253	233	213	21	472
22	468	446	423	401	379	356	334	307	285	263	240		
23	524	499	474	449	424	399	374	344	320	294	269		
24	607	578	549	521	492	462	433	399	370	341	312		
25	747	711	676	640	605	569	534	491	455	420	384		
26	917	873	829	786	742	698	655	603	559	516	472		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	181	173	165	156	148	138	124	114	104	95	85	1	41
2	207	197	187	177	167	156	142	130	118	106	97	2	49
3	240	229	217	205	195	181	165	152	138	124	112	3	61
4	260	248	236	223	211	197	179	164	150	134	122	4	69
5	278	264	250	238	225	209	189	173	158	142	130	5	81
6	292	278	264	250	236	219	201	183	167	150	136	6	89
7	303	290	276	260	246	229	209	191	173	156	142	7	97
8	317	301	286	272	256	238	217	199	181	164	148	8	116
10	337	321	305	290	274	254	230	213	193	173	158	10	134
11	355	337	319	303	286	266	242	223	203	181	165	11	146
12	364	347	329	311	296	274	250	229	209	187	169	12	162
13	378	361	343	325	307	286	260	238	217	195	177	13	173
14	404	384	364	347	327	303	276	254	230	207	189	14	193
15	424	404	384	364	343	319	292	266	242	219	197	15	209
16	441	420	398	378	357	331	301	278	252	227	205	16	230
17	457	435	414	392	370	345	313	288	262	234	213	17	244
18	483	459	435	414	390	362	331	303	276	248	225	18	266
19	502	479	455	431	408	378	345	315	288	258	234	19	282
20	520	494	469	445	420	390	357	327	297	268	242	20	297
21	540	514	489	463	437	406	370	339	309	278	252	21	339
22	569	542	514	489	461	427	390	359	325	294	266		
23	591	563	536	506	479	445	406	372	339	303	276		
24	619	589	559	530	500	465	424	388	353	317	290		
25	668	636	605	573	542	502	459	420	382	343	311		
26	725	690	656	621	587	546	496	455	414	372	339		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	40	37	35	34	32	30	28	26	24	22	20	1	8
2	55	52	49	47	44	42	39	36	33	31	28	2	9
3	62	59	56	53	50	47	44	41	37	35	32	3	12
4	68	65	62	59	55	52	49	45	42	38	35	4	15
5	77	73	70	66	62	59	55	50	47	43	40	5	18
6	87	83	79	74	70	66	62	57	53	49	45	6	23
7	95	90	86	82	77	72	68	62	58	54	49	7	28
8	103	98	94	88	84	79	74	68	63	58	53	8	33
10	111	106	101	96	90	85	80	73	68	62	57	10	42
11	121	115	109	103	98	92	86	79	73	68	62	11	51
12	132	125	119	113	107	100	94	86	80	74	68	12	60
13	141	135	128	121	114	108	101	93	86	80	73	13	70
14	153	146	138	131	124	116	109	100	93	86	79	14	83
15	168	160	152	144	136	128	120	111	102	95	86	15	100
16	185	176	167	159	150	141	132	122	113	104	95	16	121
17	204	194	185	175	165	155	146	134	124	115	105	17	146
18	223	213	202	191	181	170	160	147	136	125	115	18	174
19	243	232	220	209	197	186	174	160	148	137	125	19	207
20	270	257	244	231	218	205	193	177	164	151	139	20	246
21	300	285	271	257	243	228	214	197	183	168	154	21	341
22	338	322	306	290	274	257	241	222	206	190	174		
23	379	360	342	324	306	288	270	249	231	213	194		
24	438	418	397	376	355	334	313	288	267	246	226		
25	539	514	488	462	437	411	385	355	329	303	278		
26	662	631	599	568	536	504	473	435	404	372	341		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	213	204	195	183	174	162	146	135	123	111	100	1	49
2	244	232	220	209	197	183	167	153	139	125	114	2	58
3	283	269	255	241	230	213	195	179	162	146	132	3	72
4	306	292	278	262	248	232	211	193	176	158	144	4	81
5	327	311	295	281	264	246	223	204	186	167	153	5	95
6	343	327	311	295	278	258	237	216	197	176	160	6	104
7	357	341	325	306	290	269	246	225	204	183	167	7	114
8	374	355	336	320	302	281	255	234	213	193	174	8	137
10	397	378	360	341	322	299	271	251	227	204	186	10	158
11	418	397	376	357	336	313	285	262	239	213	195	11	172
12	429	408	387	367	348	322	295	269	246	220	200	12	190
13	445	425	404	383	362	336	306	281	255	230	209	13	204
14	476	452	429	408	385	357	325	299	271	244	223	14	227
15	499	476	452	429	404	376	343	313	285	258	232	15	246
16	520	494	469	445	420	390	355	327	297	267	241	16	271
17	538	513	487	462	436	406	369	339	309	276	251	17	288
18	568	541	513	487	459	427	390	357	325	292	264	18	313
19	592	564	536	508	480	445	406	371	339	304	276	19	332
20	612	582	552	524	494	459	420	385	350	316	285	20	350
21	636	606	575	545	515	478	436	399	364	327	297	21	399
22	670	638	606	575	543	503	459	422	383	346	313		
23	696	664	631	596	564	524	478	438	399	357	325		
24	728	694	659	624	589	548	499	457	415	374	341		
25	786	749	712	675	638	592	541	494	450	404	367		
26	854	812	773	731	691	643	585	536	487	438	399		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 41**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	35	33	31	30	28	27	25	23	21	19	18	1	7
2	48	46	44	41	39	37	35	32	29	27	25	2	8
3	55	52	49	47	44	41	39	36	33	31	28	3	11
4	60	58	55	52	49	46	43	40	37	34	31	4	13
5	68	65	62	58	55	52	49	45	41	38	35	5	16
6	77	73	69	66	62	58	55	51	47	43	40	6	20
7	84	80	76	72	68	64	60	55	51	47	43	7	25
8	91	87	83	78	74	69	65	60	56	52	47	8	29
10	98	94	89	85	80	75	70	65	60	55	51	10	37
11	107	102	97	92	86	81	76	70	65	60	55	11	45
12	116	111	105	100	94	89	83	76	71	65	60	12	53
13	125	119	113	107	101	95	89	82	76	70	64	13	62
14	135	129	122	116	109	103	97	89	82	76	69	14	73
15	149	142	135	127	121	113	106	98	91	84	76	15	88
16	164	156	148	140	132	125	117	108	100	92	84	16	107
17	181	172	163	155	146	138	129	119	110	102	93	17	129
18	197	188	179	169	160	150	141	130	121	111	102	18	154
19	215	205	195	184	174	164	154	142	131	121	111	19	184
20	239	227	216	205	193	182	171	157	145	134	123	20	218
21	265	253	240	227	215	202	190	174	161	149	136	21	301
22	299	285	270	256	242	228	213	196	182	168	154		
23	335	319	303	287	271	255	239	220	204	188	172		
24	388	369	351	333	314	295	277	255	236	218	200		
25	477	454	432	409	386	363	341	314	291	268	246		
26	586	558	530	502	474	446	419	385	357	329	301		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	218	209	199	187	178	166	149	137	126	114	102	1	50
2	249	237	225	213	201	187	171	156	142	128	116	2	59
3	289	275	261	246	235	218	199	182	166	149	135	3	73
4	313	299	284	268	254	237	216	197	180	161	147	4	83
5	334	318	301	287	270	251	228	209	190	171	156	5	97
6	351	334	318	301	284	263	242	220	201	180	164	6	107
7	365	348	332	313	296	275	251	230	209	187	171	7	116
8	382	363	344	327	308	287	261	239	218	197	178	8	140
10	405	386	367	348	329	306	277	256	232	209	190	10	161
11	427	405	384	365	344	320	292	268	244	218	199	11	175
12	438	417	396	374	356	329	301	275	251	225	204	12	194
13	455	434	412	391	370	344	313	287	261	235	213	13	209
14	486	462	438	417	393	365	332	306	277	249	228	14	232
15	510	486	462	438	412	384	351	320	292	263	237	15	251
16	531	505	479	455	429	398	363	334	303	273	246	16	277
17	550	524	498	472	446	415	377	346	315	282	256	17	294
18	581	552	524	498	469	436	398	365	332	299	270	18	320
19	604	576	547	519	491	455	415	379	346	310	282	19	339
20	626	595	564	536	505	469	429	393	358	322	292	20	358
21	649	619	588	557	526	488	446	408	372	334	303	21	408
22	685	652	619	588	555	514	469	431	391	353	320		
23	711	678	645	609	576	536	488	448	408	365	332		
24	744	709	673	638	602	559	510	467	424	382	348		
25	803	766	728	690	652	604	552	505	460	412	374		
26	872	830	789	747	706	656	597	547	498	448	408		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	33	31	29	28	26	25	23	22	20	18	17	1	6
2	45	43	41	39	37	34	32	30	28	25	23	2	7
3	51	49	46	44	41	39	37	34	31	29	26	3	10
4	56	54	51	49	46	43	40	37	34	32	29	4	12
5	64	61	58	55	52	49	46	42	39	36	33	5	15
6	72	68	65	61	58	55	51	47	44	40	37	6	19
7	79	75	71	68	64	60	56	52	48	44	40	7	23
8	85	81	77	73	69	65	61	56	52	48	44	8	28
10	92	88	83	79	74	70	66	61	56	52	47	10	35
11	100	95	90	86	81	76	71	65	61	56	51	11	42
12	109	104	98	93	88	83	78	71	66	61	56	12	49
13	117	111	106	100	95	89	83	77	71	66	60	13	58
14	126	120	114	108	102	96	90	83	77	71	65	14	68
15	139	132	126	119	113	106	99	92	85	78	71	15	83
16	153	146	138	131	124	117	109	101	93	86	79	16	100
17	169	161	153	145	137	129	121	111	103	95	87	17	120
18	184	176	167	158	150	141	132	121	113	104	95	18	144
19	201	192	182	172	163	154	144	132	123	113	104	19	172
20	223	212	202	191	181	170	160	147	136	125	115	20	203
21	248	236	224	212	201	189	177	163	151	139	127	21	282
22	280	266	253	240	226	213	200	184	170	157	144		
23	313	298	283	268	253	238	224	206	191	176	161		
24	362	345	328	311	294	276	259	238	221	204	187		
25	446	425	404	382	361	340	319	293	272	251	230		
26	548	522	495	470	443	417	391	360	334	308	282		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	170	163	155	146	139	130	117	107	98	89	80	1	39
2	194	185	176	167	157	146	133	122	111	100	91	2	46
3	226	215	204	192	183	170	155	142	130	117	105	3	57
4	244	233	222	209	198	185	168	154	141	126	115	4	65
5	261	248	235	224	211	196	178	163	148	133	122	5	76
6	274	261	248	235	222	205	189	172	157	141	128	6	83
7	285	272	259	244	231	215	196	179	163	146	133	7	91
8	298	283	268	255	241	224	204	187	170	154	139	8	109
10	316	302	287	272	257	239	216	200	181	163	148	10	126
11	333	316	300	285	268	250	228	209	191	170	155	11	137
12	342	326	309	292	278	257	235	215	196	176	159	12	152
13	355	339	322	305	289	268	244	224	204	183	167	13	163
14	379	361	342	326	307	285	259	239	216	194	178	14	181
15	398	379	361	342	322	300	274	250	228	205	185	15	196
16	414	394	374	355	335	311	283	261	237	213	192	16	216
17	429	409	389	368	348	324	294	270	246	220	200	17	229
18	453	431	409	389	366	340	311	285	259	233	211	18	250
19	472	450	427	405	383	355	324	296	270	242	220	19	265
20	488	464	440	418	394	366	335	307	279	252	228	20	279
21	507	483	459	435	411	381	348	318	290	261	237	21	318
22	535	509	483	459	433	401	366	337	305	276	250		
23	555	529	503	475	450	418	381	350	318	285	259		
24	581	553	525	498	470	437	398	364	331	298	272		
25	627	598	568	538	509	472	431	394	359	322	292		
26	681	648	616	583	551	512	466	427	389	350	318		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 47**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	34	32	31	29	27	26	24	23	21	19	18	1	7
2	47	45	43	41	38	36	34	31	29	27	24	2	8
3	54	51	48	46	43	41	38	35	32	30	27	3	11
4	59	56	54	51	48	45	42	39	36	33	31	4	13
5	67	63	60	57	54	51	48	44	41	37	34	5	15
6	75	72	68	64	61	57	54	50	46	42	39	6	20
7	82	78	74	71	67	63	59	54	50	46	42	7	24
8	89	85	81	77	72	68	64	59	54	50	46	8	29
10	96	92	87	83	78	73	69	63	59	54	50	10	36
11	104	99	95	90	85	80	75	68	63	59	54	11	44
12	114	108	103	98	92	87	81	75	69	64	59	12	52
13	122	117	111	105	99	93	87	81	75	69	63	13	61
14	132	126	120	113	107	101	95	87	81	74	68	14	72
15	145	139	132	125	118	111	104	96	89	82	75	15	86
16	160	153	145	137	130	122	114	105	98	90	82	16	105
17	177	168	160	152	143	135	126	116	108	99	91	17	126
18	193	184	175	166	157	147	138	127	118	108	99	18	150
19	211	201	191	180	171	161	151	139	128	118	108	19	180
20	234	222	211	200	189	178	167	153	142	131	120	20	213
21	259	247	235	222	210	198	185	171	158	146	133	21	295
22	293	279	265	251	237	223	209	192	178	164	150		
23	328	312	296	281	265	249	234	215	200	184	168		
24	379	361	343	325	307	289	271	249	231	213	195		
25	467	445	423	400	378	356	333	307	284	262	240		
26	573	546	518	491	464	437	410	377	349	322	295		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	178	171	163	153	146	136	122	113	103	93	83	1	41
2	204	194	184	175	165	153	140	128	116	105	95	2	49
3	237	225	213	202	192	178	163	149	136	122	111	3	60
4	256	244	233	219	208	194	177	161	147	132	120	4	68
5	274	260	246	235	221	206	186	171	155	140	128	5	80
6	287	274	260	246	233	215	198	180	165	147	134	6	87
7	299	285	272	256	243	225	206	188	171	153	140	7	95
8	312	297	281	268	252	235	213	196	178	161	146	8	114
10	332	316	301	285	270	250	227	210	190	171	155	10	132
11	349	332	314	299	281	262	239	219	200	178	163	11	144
12	359	341	324	307	291	270	246	225	206	184	167	12	159
13	372	355	338	320	303	281	256	235	213	192	175	13	171
14	398	378	359	341	322	299	272	250	227	204	186	14	190
15	417	398	378	359	338	314	287	262	239	215	194	15	206
16	435	413	392	372	351	326	297	274	248	223	202	16	227
17	450	429	407	386	365	340	308	283	258	231	210	17	241
18	475	452	429	407	384	357	326	299	272	244	221	18	262
19	495	471	448	425	402	372	340	310	283	254	231	19	277
20	512	487	462	438	413	384	351	322	293	264	239	20	293
21	532	506	481	456	431	400	365	334	305	274	248	21	334
22	561	534	506	481	454	421	384	353	320	289	262		
23	582	555	528	499	471	438	400	367	334	299	272		
24	609	580	551	522	493	458	417	382	347	312	285		
25	658	627	596	565	534	495	452	413	376	338	307		
26	714	679	646	611	578	537	489	448	407	367	334		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	30	28	27	25	24	23	21	20	18	16	15	1	6
2	41	39	37	35	33	31	29	27	25	23	21	2	7
3	46	44	42	40	37	35	33	30	28	26	24	3	9
4	51	49	46	44	41	39	37	34	31	29	27	4	11
5	58	55	52	50	47	44	41	38	35	32	30	5	13
6	65	62	59	56	53	50	46	43	40	37	34	6	17
7	71	68	64	61	58	54	51	47	43	40	37	7	21
8	77	74	70	66	63	59	55	51	47	44	40	8	25
10	83	80	76	72	67	64	60	55	51	47	43	10	32
11	90	86	82	78	73	69	65	59	55	51	46	11	38
12	99	94	89	85	80	75	71	65	60	55	51	12	45
13	106	101	96	91	86	81	76	70	65	60	55	13	53
14	115	109	104	98	93	87	82	75	70	64	59	14	62
15	126	120	114	108	102	96	90	83	77	71	65	15	75
16	139	132	126	119	112	106	99	91	85	78	71	16	91
17	153	146	138	131	124	117	110	101	93	86	79	17	109
18	167	160	152	144	136	128	120	110	102	94	86	18	130
19	183	174	165	156	148	139	131	120	111	103	94	19	156
20	202	193	183	174	164	154	145	133	123	113	104	20	184
21	225	214	204	193	182	171	161	148	137	126	115	21	255
22	254	241	229	217	205	193	181	167	154	142	130		
23	284	270	257	243	230	216	203	186	173	160	146		
24	329	313	298	282	266	250	235	216	200	185	169		
25	404	385	366	347	328	308	289	266	246	227	208		
26	497	473	449	426	402	378	355	326	303	279	255		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	166	158	151	142	135	126	113	104	95	86	77	1	38
2	189	180	171	162	153	142	130	119	108	97	88	2	45
3	220	209	198	187	178	166	151	139	126	113	103	3	56
4	238	227	216	203	193	180	164	149	137	122	112	4	63
5	254	241	229	218	205	191	173	158	144	130	119	5	74
6	266	254	241	229	216	200	184	167	153	137	124	6	81
7	277	265	252	238	225	209	191	175	158	142	130	7	88
8	290	275	261	248	234	218	198	182	166	149	135	8	106
10	308	293	279	265	250	232	211	194	176	158	144	10	122
11	324	308	292	277	261	243	221	203	185	166	151	11	133
12	333	317	301	284	270	250	229	209	191	171	155	12	148
13	346	329	313	297	281	261	238	218	198	178	162	13	158
14	369	351	333	317	299	277	252	232	211	189	173	14	176
15	387	369	351	333	313	292	266	243	221	200	180	15	191
16	403	383	364	346	326	302	275	254	230	207	187	16	211
17	418	398	378	358	338	315	286	263	239	214	194	17	223
18	441	419	398	378	356	331	302	277	252	227	205	18	243
19	459	437	416	394	373	346	315	288	263	236	214	19	257
20	475	452	428	407	383	356	326	299	272	245	221	20	272
21	493	470	446	423	400	371	338	310	283	254	230	21	310
22	520	495	470	446	421	391	356	328	297	268	243		
23	540	515	490	463	437	407	371	340	310	277	252		
24	565	538	511	484	457	425	387	355	322	290	265		
25	610	581	553	524	495	459	419	383	349	313	284		
26	662	630	599	567	536	499	454	416	378	340	310		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

**PERSONAL AUTO MANUAL
RATE PAGES
TERRITORY 52**

NORTH CAROLINA (32)

FULL COVERAGE COMPREHENSIVE (001)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	36	35	33	31	29	28	26	24	22	20	19	1	7
2	50	48	46	43	41	38	36	33	31	28	26	2	8
3	57	54	51	49	46	43	41	37	35	32	29	3	12
4	63	60	57	54	51	48	45	41	38	36	33	4	14
5	71	68	64	61	58	54	51	47	43	40	36	5	16
6	80	76	72	69	65	61	57	53	49	45	41	6	21
7	88	84	79	75	71	67	63	58	53	49	45	7	26
8	95	91	86	82	77	72	68	62	58	54	49	8	31
10	103	98	93	88	83	78	73	68	63	58	53	10	39
11	111	106	101	96	90	85	80	73	68	62	57	11	47
12	121	116	110	104	98	93	87	80	74	68	62	12	55
13	131	124	118	112	106	99	93	86	80	73	67	13	65
14	141	134	128	121	114	108	101	93	86	79	72	14	76
15	155	148	141	133	126	118	111	102	95	87	80	15	92
16	171	163	155	146	138	130	122	112	104	96	88	16	112
17	189	180	170	162	153	144	135	124	115	106	97	17	134
18	206	196	187	177	167	157	147	135	126	116	106	18	160
19	225	214	204	192	182	171	161	148	137	126	116	19	192
20	249	237	225	214	202	190	178	164	152	140	128	20	227
21	276	264	251	237	224	211	198	182	168	156	142	21	314
22	312	297	282	267	252	238	223	205	190	175	160		
23	349	333	316	300	283	266	250	229	213	196	180		
24	405	385	366	347	328	308	289	266	247	228	208		
25	498	474	451	427	403	379	356	327	303	280	256		
26	612	582	553	524	495	466	437	402	372	344	314		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

COLLISION DED. AMT. \$100 (074)													
Symbol (a)	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1990-1998	Symbol (b)	1989 & prior
1	189	180	172	162	154	144	129	119	109	98	88	1	43
2	215	205	195	185	174	162	148	135	123	111	100	2	51
3	250	238	226	213	203	189	172	158	144	129	117	3	64
4	271	258	246	232	219	205	187	170	156	139	127	4	72
5	289	275	260	248	234	217	197	180	164	148	135	5	84
6	303	289	275	260	246	228	209	191	174	156	141	6	92
7	316	301	287	271	256	238	217	199	180	162	148	7	100
8	330	314	297	283	267	248	226	207	189	170	154	8	121
10	351	334	318	301	285	264	240	221	201	180	164	10	139
11	369	351	332	316	297	277	252	232	211	189	172	11	152
12	379	361	342	324	308	285	260	238	217	195	176	12	168
13	394	375	357	338	320	297	271	248	226	203	185	13	180
14	420	400	379	361	340	316	287	264	240	215	197	14	201
15	441	420	400	379	357	332	303	277	252	228	205	15	217
16	459	437	414	394	371	344	314	289	262	236	213	16	240
17	476	453	431	408	385	359	326	299	273	244	221	17	254
18	502	478	453	431	406	377	344	316	287	258	234	18	277
19	523	498	474	449	424	394	359	328	299	269	244	19	293
20	541	515	488	463	437	406	371	340	310	279	252	20	310
21	562	535	508	482	455	422	385	353	322	289	262	21	353
22	592	564	535	508	480	445	406	373	338	305	277		
23	615	586	558	527	498	463	422	387	353	316	287		
24	644	613	582	551	521	484	441	404	367	330	301		
25	695	662	629	597	564	523	478	437	398	357	324		
26	754	718	683	646	611	568	517	474	431	387	353		

(a) Refer to Personal Auto Manual Rule 12. for rating Symbol 27 vehicles.
(b) Refer to Rule 12. to determine the Symbol 14 rate for 1982 and Prior Model Year vehicles.

Territory	Territory
ALAMANCE COUNTY – See Burlington-Graham and Remainder of State.	CHOWAN COUNTY territory comprises all territory in Chowan County..... 33
ASHEVILLE territory comprises the entire city of Asheville and all territory in Buncombe County included in the townships of Asheville, Limestone and Lower Hominy, including all of the following towns, cities or places .....11	COLUMBUS COUNTY territory comprises all territory in Columbus County..... 26
Acton Buena Vista Luthers	CONCORD-KANNAPOLIS-SALISBURY territory comprises the entire cities of Concord, Kannapolis and Salisbury, all territory in Cabarrus County included in Townships 1 (Rocky River), 2 (Poplar Tent), 4 (Kannapolis), 5 (Mount Gilead), 11 (Baptist Church) and 12 (Concord), and all territory in Rowan County included in the townships of China Grove, Franklin, Litaka and Salisbury, including all of the following towns, cities or places 32
Arden Busbee New Bridge	Brown- Franklin Roberta Mills
Asheville Craggy Oakley	Norcott Mills Glass Rocky Ridge
School Emma Oteen	China Grove Harrisburg Rocky River
Biltmore Enka Shiloh	Cooks Jackson Park South River
Forest Haw Creek Skyland	Crossing Landis Spencer
Boswell Hominy Woodfin	East Spencer Majolica Yadkin
BEAUFORT COUNTY territory comprises all territory in Beaufort County .....33	Faggarts Mount Gilead Junction
BERTIE COUNTY territory comprises all territory in Bertie County .....33	Crossroads Pharrs Mills Yost
BLADEN COUNTY territory comprises all territory in Bladen County .....33	Faith Pioneer Mills
BRUNSWICK COUNTY territory comprises all territory in Brunswick County not included in Wilmington territory.....26	Craven County territory comprises all territory in Craven County 43
BUNCOMBE COUNTY territory comprises all territory in Buncombe County not included in Asheville territory.....32	CUMBERLAND COUNTY territory comprises all territory in Cumberland County not included in Fayetteville territory 26
BURLINGTON-GRAHAM territory comprises the entire city of Burlington, the entire town of Graham, all territory in Alamance County included in Townships 3 (Boon Station), 6 (Graham), 10 (Melville), 12 (Burlington) and 13 (Haw River), the entire town of Mebane in Alamance and Orange Counties, and including all of the following towns, cities or places .....32	CURRITUCK COUNTY territory comprises all territory in Currituck County..... 33
Elon College Kirkpatrick Richmond	DARE COUNTY territory comprises all territory in Dare County..... 33
Gibsonville Heights Hill	DAVIDSON COUNTY – see Lexington-Thomasville and Remainder of State.
Glen Raven Lake Latham	DUPLIN COUNTY territory comprises all territory in Duplin County..... 33
Haw River Ossipee	DURHAM territory comprises the entire city of Durham and all territory in Durham County included in the townships of Durham, Oak Grove and Patterson, including all of the following towns, cities, or places..... 13
CABARRUS COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.	Bethesda Gorman North Durham
CAMDEN COUNTY territory comprises all territory in Camden County .....33	Bilboa Hope Valley Oak Grove
CARTERET COUNTY territory comprises all territory in Carteret County.....33	Few Joyland Redwood
CHARLOTTE territory comprises the entire city of Charlotte and all areas in Mecklenburg County except those areas with U.S. Postal Zip Codes 28025, 28026, 28031, 28036, 28075, 28078 and 28115.....52	DURHAM COUNTY territory comprises all territory in Durham County not included in Durham territory 32
	EDGECOMBE COUNTY territory comprises all territory in Edgecombe County not included in Rocky Mount territory 33

NOTE: Refer to an atlas or map for places not listed.

Territory	Territory
FAYETTEVILLE territory comprises the entire city of Fayetteville, all territory in the Fort Bragg and Pope Air Force Base Military Reservations in Cumberland County, and all territory in Cumberland County included in the townships of Carvers Creek, Cross Creek, Eastover, Manchester, Pearces Mill, Rockfish and Seventy First, including all of the following towns, cities or places.....40	HERTFORD COUNTY territory comprises all territory in Hertford County 33
Beard	
Bonnie Doone	
Cliffdale	
Cumberland	
Fenix	
Gardners	
Chapel	
Hope Mills	
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
ONCLO COUNTY territory comprises all territory in Onslow County.....41	ROWAN COUNTY – see Concord-Kannapolis-Salisbury and Remainder of State.
ORANGE COUNTY – see Burlington-Graham and Remainder of State.	SAMPSON COUNTY territory comprises all territory in Sampson County..... 33
PAMLICO COUNTY territory comprises all territory in Pamlico County.....33	SCOTLAND COUNTY territory comprises all territory in Scotland County 26
PASQUOTANK COUNTY territory comprises all territory in Pasquotank County.....33	TYRRELL COUNTY territory comprises all territory in Tyrrell County..... 33
PENDER COUNTY territory comprises all territory in Pender County.....33	VANCE COUNTY territory comprises all territory in Vance County..... 33
PERQUIMANS COUNTY territory comprises all territory in Perquimans County.....33	WAKE COUNTY territory comprises all territory in Wake County not included in Raleigh territory 31
PITT COUNTY territory comprises all territory in Pitt County not included in Greenville territory .....33	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	WILSON territory comprises the entire town of Wilson and all territory in Wilson County included in the township of Wilson 31
Carolina McCullers Westover	WILSON COUNTY territory comprises all territory in Wilson County not included in the Rocky Mount or Wilson territories 33
Pines Method Wilders	WINSTON-SALEM territory comprises the entire city of Winston-Salem and all territory in Forsyth County included in the townships of Broadbay, Middle Fork, Old Town, South Fork and Winston, including all of the following towns, cities or places..... 18
Cary Milburnie Grove	Alspaugh Frontis Reynolda
RANDOLPH COUNTY – see Lexington-Thomasville and Remainder of State.	Atwood Hanes Tiretown
ROBESON COUNTY territory comprises all territory in Robeson County .....26	Daisy Ogburttown Walkertown
ROCKY MOUNT territory comprises the entire city of Rocky Mount, all territory in Nash County included in Rocky Mount and Stony Creek townships, all territory in Edgecombe County included in Township 12 (Rocky Mount), and the entire town of Sharpsburg in Edgecombe, Nash and Wilson Counties, including all of the following towns, cities or places .....31	Fisherville Oldtown
Armstrong Dortches Winsteads	REMAINDER OF STATE 24
Brake Chapel	

NOTE: Refer to an atlas or map for places not listed.

LIST OF IMPORTANT CITIES AND TOWNS

The following list contains all the more important cities, towns, boroughs, and villages in the state, together with their counties and territory and code assignments.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
A		B		B	
Abbey, Gaston	25	Bakersville, Mitchell.....	24	Brown-Norcott Mills, Cabarrus.....	32
Aberdeen, Moore	24	Balfours, Randolph.....	24	Bryson City, Swain	24
Acton, Buncombe.....	11	Bannertown, Surry	24	Buena Vista, Buncombe	11
Ahoskie, Hertford	33	Barker Heights, Henderson	24	Burgaw, Pender.....	33
Alamance, Alamance	24	Barnardville, Buncombe	32	Burlington, Alamance	32
Albermarie, Stanly.....	24	Battle Ground, Guilford.....	14	Burnsville, Yancey	24
Alexander, Buncombe.....	32	Bayboro, Pamlico	33	Busbee, Buncombe	11
Alexanders Store, Mecklenburg.....	52	Beard, Cumberland.....	40		
Alexis, Gaston.....	25	Beattie, Gaston	25	C	
Alspaugh, Forsyth.....	18	Beaufort, Carteret.....	33	Camden, Camden	33
Altamahaw, Alamance	24	Belhaven, Beaufort.....	33	Camp LeJeune, Onslow	41
Andrews, Cherokee	24	Belmont, Gaston	25	Camp Polk, Wake	16
Angier, Harnett.....	26	Belmont, Halifax	33	Candler, Buncombe	32
Apex, Wake	31	Belville, Brunswick	17	Canton, Haywood	24
Archdale, Randolph	32	Benson, Johnston	26	Caraleigh, Wake	16
Arden, Buncombe	11	Bessemer, Guilford	14	Caroleen, Rutherford	24
Arlington, Gaston	25	Bessemer City, Gaston	25	Carolina Beach, New Hanover	17
Armstrong, Edgecombe	31	Bethel, Pitt.....	33	Carolina Pines, Wake	16
Arnold, Davidson.....	32	Bethesda, Durham	13	Carrboro, Orange	24
Asbury, Wake	16	Bilboa, Durham	13	Carson, Mecklenburg	52
Asheboro, Randolph	24	Biltmore Forest, Buncombe.....	11	Carthage, Moore.....	24
Asheville, Buncombe	11	Biscoe, Montgomery.....	24	Cary, Wake.....	16
Asheville School, Buncombe	11	Black Mountain, Buncombe.....	32	Castalia, Nash	33
Atwood, Forsyth.....	18	Boger City, Lincoln	24	Cedar Falls, Randolph	24
Auburn, Wake	16	Boiling Springs, Cleveland	24	Cedar Lodge, Davidson	32
Aulander, Bertie	33	Bonnie Doone, Cumberland	40	Chadbourn, Columbus.....	26
Ayden, Pitt	33	Boogertown, Gaston	25	Chadwick-Hoskins Mills, Mecklenburg.....	52
		Boone, Watauga	24	Chapel Hill, Orange	24
B		Boswell, Buncombe.....	11	Charlotte, Mecklenburg	52
Badin, Stanly.....	24	Boushell, Wake	16	Cherry Point, Craven	43
Bailey, Nash.....	33	Brake, Edgecombe.....	31		
		Brevard, Transylvania	24		

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
C		D		F	
Cherryville, Gaston	25	Dellview, Gaston	25	Faith, Rowan	32
China Grove, Rowan.....	32	Denton, Davidson.....	24	Farmville, Pitt.....	33
Clairmont, Brunswick	17	Derita, Mecklenburg	52	Fayetteville, Cumberland	40
Clayton, Johnston	26	Dobson, Surry	24	Fenix, Cumberland	40
Cleveland, Rowan.....	24	Dortches, Nash	31	Fetner, Wake	16
Clifdale, Cumberland	40	Draper, Rockingham	24	Few, Durham	13
Cliffside, Rutherford	24	Duke Power Village, Gaston	25	Fisherville, Forsyth	18
Clinchfield, McDowell.....	24	Dunn, Harnett.....	26	Forest City, Rutherford	24
Clinton, Sampson.....	33	Durham, Durham.....	13	Fort Bragg, Cumberland	40
Coats, Harnett.....	26	E		Fountain, Pitt	33
Coleridge, Randolph	24	East Gastonia, Gaston	25	Four Mile, Guilford.....	14
College View, Wake.....	16	East Spencer, Rowan.....	32	Franklin, Macon.....	24
Columbia, Tyrrell.....	33	East Wilmington, New Hanover.....	17	Franklin, Rowan.....	32
Columbus, Polk.....	24	Edenton, Chowan.....	33	Franklinton, Franklin	33
Concord, Cabarrus.....	32	Edgeton, Wake.....	16	Franklinville, Randolph	24
Conover, Catawba	24	Elizabeth City, Pasquotank	33	Fraziers, Randolph	32
Convent, Gaston	25	Elizabethtown, Bladen.....	33	Freeland, Brunswick	26
Cooks Crossing, Cabarrus.....	32	Elkin, Surry.....	24	Fremont, Wayne	47
Cooleemee, Davie	24	Eller, Davidson	24	Frontis, Forsyth.....	18
Cornelius, Mecklenburg	51	Elm City, Wilson	33	Fuquay Springs, Wake	31
Craggy, Buncombe	11	Elon College, Alamance	32	G	
Cramerton, Gaston	25	El Paso, Brunswick	17	Gardners Chapel, Cumberland.....	40
Croft, Mecklenburg.....	52	Emma, Buncombe.....	11	Garner, Wake	16
Cross Road, Surry	24	Enfield, Halifax	33	Gaston, Northampton	33
Crowders, Gaston	25	Enka, Buncombe	11	Gastonia, Gaston.....	25
Cumberland, Cumberland.....	40	Erwin, Harnett	26	Gatesville, Gates	33
Currituck, Currituck	33	F		Georgetown, Lenoir	31
D		Faggarts Crossroads, Cabarrus	32	Gibsonville, Guilford & Alamance	32
Daisy, Forsyth.....	18	Fair Bluff, Columbus.....	26	Glass, Cabarrus.....	32
Dallas, Gaston	25	Fairmont, Robeson.....	26		
Danbury, Stokes	24				
Davidson, Mecklenburg	51				

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
G		H		K	
Glen Anna, Davidson	32	Hertford, Perquimans	33	Kings Mountain, Cleveland	24
Glen Raven, Alamance	32	Hickory, Catawba	24	Kinston, Lenoir	31
Goldsboro, Wayne	47	Hickory Grove, Mecklenburg	52	Kirkpatrick Heights, Alamance	32
Gorman, Durham	13	High Point, Guilford	15	Knightdale, Wake	16
Goshen, Gaston	25	High Shoals, Gaston	25	L	
Graham, Alamance	32	Hillsboro, Orange	24	La Grange, Lenoir	33
Granite Falls, Caldwell	24	Hill Top, Guilford	14	Lake, Davidson	32
Granite Quarry, Rowan	24	Hines Junction, Lenoir	31	Lakedale, Cumberland	40
Greenleaf, Wayne	47	Holly Ridge, Onslow	41	Lake Latham Alamance	32
Greensboro, Guilford	14	Holly Springs, Wake	31	Landis, Rowan	32
Greenville, Pitt	31	Homestead, Mecklenburg	52	Lanvale, Brunswick	17
Griffith, Mecklenburg	52	Hominy, Buncombe	11	Laurinburg, Scotland	26
Grifton, Pitt	33	Hope Mills, Cumberland	40	Leaksville, Rockingham	24
Grimesland, Pitt	33	Hope Valley, Durham	13	Leicester, Buncombe	32
Grovesmont, Buncombe	32	House, Pitt	31	Leland, Brunswick	17
Groves, Gaston	25	Huntersville, Mecklenburg	51	Lenoir, Caldwell	24
Guilford, Guilford	32	Hutchinson, Mecklenburg	52	Lewisville, Forsyth	32
Guilford College, Guilford	32	J		Lexington, Davidson	32
H		Jackson, Northampton	33	Liberty, Randolph	24
Hahn, Mecklenburg	52	Jackson Park, Cabarrus	32	Lillington, Harnett	26
Halifax, Halifax	33	Jacksons Creek, Randolph	24	Lincolnton, Lincoln	24
Hamilton Lakes, Guilford	14	Jacksonville, Onslow	41	Linden, Cumberland	40
Hamlet, Richmond	24	James Mill, Pitt	31	Littleton, Halifax & Warren	33
Hamtown, Guilford	14	Jamestown, Guilford	32	Longhurst, Person	24
Hanes, Forsyth	18	Jefferson, Ashe	24	Longview, Catawba	24
Hardins, Gaston	25	Jonesville, Yadkin	24	Longwood Park, Richmond	24
Harkers Island, Carteret	33	Joyland, Durham	13	Louisburg, Franklin	33
Harrisburg, Cabarrus	32	Juno, Buncombe	32	Lowell, Gaston	25
Haw Creek, Buncombe	11	Jupiter, Buncombe	32	Lucama, Wilson	33
Haw River, Alamance	32	K		Lucia, Gaston	25
Hayesville, Clay	24	Kannapolis, Cabarrus & Rowan	32	Lumberton, Robeson	26
Hazelwood, Haywood	24	Kenly, Johnston	26	Luthers, Buncombe	11
Henderson, Vance	33	Kernersville, Forsyth	32		
Hendersonville, Henderson	24				

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
M		M		P	
McAdenville, Gaston	25	Mount Olive, Wayne	47	Paw Creek, Mecklenburg	52
McCullers, Wake	16	Mount Pleasant, Cabarrus.....	24	Pembroke, Robeson	26
Maccliesfield, Edgecombe	33	Mount View, Gaston	25	Pharrs Mill, Cabarrus	32
Macedonia, Wake	16	Murfreesboro, Hertford	33	Phillipsville, Haywood	24
Madison, Rockingham	24	Murphy, Cherokee.....	24	Pikeville, Wayne	47
Maiden, Catawba	24	Myrtle Hill, Cumberland.....	40	Pilot Mountain, Surry	24
Majolica, Rowan.....	32	N		Pinehurst, Moore	24
Manchester, Cumberland.....	40	Nashville, Nash	33	Pinetops, Edgecombe	33
Marion, McDowell	24	Navassa, Brunswick.....	17	Pineville, Mecklenburg.....	52
Marshall, Madison.....	24	Neuse, Wake.....	16	Pinkney, Gaston	25
Mars Hill, Madison	24	New Bern, Craven	43	Pinoca, Mecklenburg	52
Marshville, Union	24	New Bridge, Buncombe.....	11	Pioneer Mills, Cabarrus	32
Matthews, Mecklenburg.....	52	Newel, Mecklenburg.....	52	Pittsboro, Chatham.....	24
Maxton, Robeson.....	26	Newfound, Buncombe	32	Pleasant Garden, Guilford	32
Mayodan, Rockingham	24	Newland, Avery	24	Plymouth, Washington.....	33
Mebane, Alamance & Orange.....	32	New Leaksville, Rockingham	24	Pomona, Guilford.....	14
Method, Wake.....	16	Newton, Catawba	24	Pope Air Force Base, Cumberland.....	40
Middlesex, Nash	33	North Belmont, Gaston.....	25	R	
Midway Park, Onslow	41	North Durham, Durham.....	13	Raeford, Hoke	26
Milan, Cumberland.....	40	North Wilkesboro, Wilkes	24	Ragan, Gaston	25
Milburnie, Wake	16	Norwood, Stanly.....	24	Raleigh, Wake	16
Millbrook, Wake	16	O		Ramseur, Randolph.....	24
Mocksville, Davie	24	Oakdale, Wake.....	16	Randleman, Randolph.....	24
Monroe, Union	24	Oak Grove, Durham	13	Ranlo, Gaston.....	25
Montreat, Buncombe.....	32	Oakhurst, Mecklenburg	52	Red Springs, Robeson	26
Mooresville, Iredell.....	24	Oakley, Buncombe.....	11	Redwood, Durham.....	13
Morehead City, Carteret.....	33	Oak Ridge, Guilford.....	32	Reidsville, Rockingham	24
Morganton, Burke	24	Ogburntown, Forsyth.....	18	Reynolda, Forsyth	18
Morrisville, Wake.....	31	Oldtown, Forsyth	18	Richmond Hill, Alamance	32
Mountain Island, Gaston	25	Ossipee, Alamance	32	Ridge, Gaston.....	25
Mount Airy, Surry	24	Oteen, Buncombe	11	Ridgecrest, Buncombe	32
Mount Gilead, Cabarrus.....	32	Owens, Cumberland.....	40	Ridgeview, Mecklenburg	52
Mount Gilead, Montgomery.....	24	Oxford, Grantville	24	Roanoke Rapids, Halifax	33
Mount Holly, Gaston	25			Robbins, Moore	24
				Robbinsville, Graham	24

NOTE: Refer to an atlas or map for places not listed.

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
R		S		T	
Robersonville, Martin	33	Slocomb, Cumberland.....	40	Tabor City, Columbus.....	26
Roberta Mills, Cabarrus	32	Smithfield, Johnston.....	26	Tarboro, Edgecombe.....	33
Rockingham, Richmond.....	24	Smyre, Gaston	25	Taylorsville, Alexander	24
Rockwell, Rowan	24	Snow Hill, Greene	33	Terra Cotta, Guilford.....	32
Rocky Mount, Edgecombe & Nash.....	31	Southern Pines, Moore.....	24	Thomasville, Davidson	32
Rocky Ridge, Cabarrus.....	32	South Fayetteville, Cumberland	40	Thrift, Mecklenburg.....	52
Rocky River, Cabarrus.....	32	South Gastonia, Gaston.....	25	Tiretown, Forsyth.....	18
Robesville, Wake	31	Southmont, Davidson	24	Toast, Surry	24
Roseboro, Sampson	33	Southport, Brunswick	26	Tokay, Cumberland	40
Roslin, Cumberland	40	South Raleigh, Wake.....	16	Trenton, Jones.....	33
Rougmont, Durham.....	32	South River, Rowan	32	Trinity, Randolph	32
Rowland, Robeson.....	26	South Rosemary, Halifax.....	33	Troy, Montgomery	24
Roxboro, Person.....	24	Sparta, Alleghany.....	24	Tryon, Polk	24
Rural Hall, Forsyth	32	Spencer, Rowan.....	32		
Rutherfordton, Rutherford	24	Spencer Mountain, Gaston.....	25	V	
		Spindale, Rutherford	24	Valdese, Burke	24
S		Spray, Rockingham.....	24	Valmead, Caldwell.....	24
Saint Pauls, Robeson	26	Spring Hope, Nash.....	33	Victory, Cumberland	40
Salisbury, Rowan	32	Spring Lake, Cumberland.....	40	Victory, Gaston.....	25
Sanford, Lee	26	Spruce Pine, Mitchell.....	24		
Saratoga, Wilson.....	33	Stanley, Gaston.....	25	W	
Saxapahaw, Alamance	24	Stantonsburg, Wilson	33	Wade, Cumberland.....	40
Scotland Neck, Halifax.....	33	Statesville, Iredell	24	Wadesboro, Anson	24
Selma, Johnston	26	Staton, Pitt.....	31	Wake Forest, Wake	31
Selwyn Park, Mecklenburg	52	Stedman, Cumberland	26	Walkertown, Forsyth.....	18
Seymour Johnson A.F.B., Wayne.....	47	Stokesdale, Guilford.....	32	Wallace, Duplin.....	33
Shallotte, Brunswick.....	26	Stony Point, Alexander.....	24	Walnut Cove, Stokes	24
Sharpsburg, Edgecombe, Nash & Wilson	31	Summerfield, Guilford.....	32	Warrenton, Warren	33
Shaws, Cumberland.....	40	Sunnyside, Gaston.....	25	Warsaw, Duplin	33
Shelby, Cleveland	24	Swannanoa, Buncombe	32	Washington, Beaufort	33
Shiloh, Buncombe.....	11	Swanquarter, Hyde	33	Waynesville, Haywood	24
Siler City, Chatham.....	24	Sweepsonville, Alamance	24	Weaverville, Buncombe.....	32
Skyland, Buncombe.....	11	Sylva, Jackson	24	Welcome, Davidson.....	32
				Weldon, Halifax	33
				Wendell, Wake	31
				Wentworth, Rockingham	24
				Westend, Guilford.....	15
				Westover, Wake	16

NOTE: Refer to an atlas or map for places not listed.

**PERSONAL VEHICLE MANUAL
TERRITORY DEFINITIONS**

NORTH CAROLINA (32)

City and County	Territory Code	City and County	Territory Code	City and County	Territory Code
W		W		Y	
Whitakers, Edgecombe & Nash	33	Windsor, Bertie.....	33	Yadkin Junction, Rowan	32
Whiteville, Columbus	26	Winnabow, Brunswick	26	Yadkinville, Yadkin	24
Whitnel, Caldwell	24	Windsteads Chapel, Nash.....	31	Yanceyville, Caswell.....	24
Wilders Grove, Wake	16	Winston-Salem, Forsyth	18	Yost, Rowan	32
Wilkesboro, Wilkes.....	24	Winterville, Pitt	33	Youngs Springs, Wilson	31
Williamston, Martin.....	33	Woodburn, Brunswick	17	Z	
Wilmington, New Hanover	17	Woodfin, Buncombe	11	Zebulon, Wake	31
Wilson, Wilson	31	Worthville, Randolph	24		

NOTE: Refer to an atlas or map for places not listed.

NORTH CAROLINA
PRIVATE PASSENGER AUTOMOBILE INSURANCE
AVERAGE NUMBER OF CLAIMS FOR LATEST TWO ACCIDENT YEARS

NON-CLEAN RISK CEDED LIABILITY

Year Ended	Bodily Injury	Property Damage	Medical Payments
12/31/2004	14,100	32,543	6,431
12/31/2005	13,356	32,589	6,633
Average	13,728	32,566	6,532

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 12/31/05				
BI	151,082,697	0.9593	13.4%	19,421,107
PD	107,762,351	1.0915	13.4%	15,761,429
MP	12,371,466	1.0531	13.4%	1,745,804
Year ending 12/31/04				
BI	149,752,475	0.8819	14.2%	18,753,472
PD	107,388,855	1.0493	14.2%	16,001,004
MP	11,827,048	0.8804	14.2%	1,478,580
Year ending 12/31/03				
BI	142,548,671	0.9008	13.4%	17,206,651
PD	102,224,232	1.1468	13.4%	15,708,920
MP	11,281,763	0.9051	13.4%	1,368,291

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-152. Ratio is to manual premiums.
- (4) = (1) x (2) x (3)

NORTH CAROLINA

PRIVATE PASSENGER INSTALLMENT PAYMENT INCOME

Year	Inst. Charges	Liability Written Premium	Phy. Dam. Written Premium	Total Premium	Inst. Charges as a % of Prem.
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%
2005	48,100	2,271,283	1,880,120	4,151,403	1.2%
Latest 5 years:	210,197	10,446,402	8,671,527	19,117,929	1.1%

(in thousands)

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

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

June 2007

- Q. Would you state your full name and address?
- A. Raymond F. Evans, Jr., CPCU. My business address is 5401 Six Forks Road, Raleigh, North Carolina 27609.
- Q. Are you employed by the North Carolina Reinsurance Facility ("Facility")?
- A. Yes.
- Q. In what capacity?
- A. I am the General Manager.
- Q. How long have you been employed by the Facility?
- A. Since September, 2000.
- Q. What is the Facility's function with respect to rates for automobile insurance?
- A. The Facility promulgates rules and rates for private passenger nonfleet automobile liability insurance written in North Carolina that is ceded to the Facility.
- Q. Would you summarize your educational background?
- A. I graduated from Ohio State University with a Bachelor of Science Degree in Accounting. I am also a Chartered Property and Casualty Underwriter.
- Q. What was your work experience after graduation and prior to beginning work for the Facility?
- A. From March 1966 to August 2000, I worked in various capacities with the State Automobile Insurance Companies.
- Q. Can you identify Exhibits RF-1 through RF-8?

- A. Yes. This is the 2007 filing (the "Filing") submitted by the Facility to the Honorable James E. Long, Commissioner of Insurance, with respect to revised nonfleet private passenger motor vehicle insurance rates in North Carolina for other-than-clean ceded business. By that I mean that the rates promulgated in this filing are for use with risks ceded to the Facility who are not clean risks, as clean risks are defined in N.C.G.S. 58-37-35(1).
- Q. Do you know how the expense data underlying the Filing was compiled?
- A. Yes. The underwriting expense provisions included in the Filing were derived on the basis of a special call for expense experience that is issued on an annual basis by the North Carolina Rate Bureau ("Bureau") to all member companies of the Bureau and the Facility. The responses received from that special call were compiled, checked by the Bureau and the Facility and furnished to Insurance Services Office ("ISO") for incorporation into the Filing. The expense data were checked, reconciled and edited by the Bureau and the Facility before they were sent to ISO for use in the Filing.
- Q. Can you identify the document (Exhibit RF-2) entitled the North Carolina Personal Auto Manual?
- A. Yes. The North Carolina Personal Auto Manual is a manual of the rules, rates and classifications used to write nonfleet private passenger automobile insurance in North Carolina. It covers both ceded and voluntary business. This manual and any approved amendments are on file with the North Carolina Department of Insurance and a copy is maintained at the offices of the Facility.
- Q. Has the Facility furnished to ISO, for use in this Filing, information appearing in the annual statements and the Insurance Expense Exhibits of its member companies?
- A. Yes.
- Q. How was that information obtained by the Facility?
- A. Information from the Annual Statements and the Insurance Expense Exhibits was obtained by Bureau Staff from Annual Statements and Insurance Expense Exhibits provided by the companies to the Bureau. The Annual Statements and the Insurance Expense Exhibits are part of the official records maintained at the Department of Insurance.

- Q. Was the special call, annual statement and insurance expense exhibit information which was furnished to ISO in connection with the Filing correct and accurate to the best of your knowledge, information and belief?
- A. Yes.
- Q. Does the Facility have actuaries on its staff?
- A. No.
- Q. To the extent that actuarial expertise was necessary in the preparation of this Filing, where did the Facility obtain that expertise?
- A. Actuarial expertise was obtained from ISO and from the members of the Bureau's Automobile Committee. The Automobile Committee reviews the data underlying the Filing and makes recommendations to the Board of Governors of the Facility as to the items contained in the Filing, and many of the company representatives on the Automobile Committee are actuaries. ISO is retained by the Facility to provide actuarial services to the Facility for, among numerous other things, preparation of this Filing.
- Q. What is the proposed effective date of the rates in the Filing?
- A. The proposed rule of application provides that the new rates will apply to all policies becoming effective on or after October 1, 2007.
- 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**

**2007 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 one years in various actuarial positions in the Personal Lines area. I was hired as an Actuarial Assistant in the Personal Property Actuarial Division in 1976. I was promoted to Assistant Actuarial Supervisor in Personal Property. I was later transferred to Private Passenger Actuarial and promoted to Actuarial Supervisor. At my next promotion I was named as Assistant Actuary in ISO's Data Quality Division. While in this area, I worked exclusively on New York's Special Examination of ISO and NAI in their role as statistical agents for personal automobile insurance. Upon completion of this assignment, I joined the Personal Lines Actuarial Division. In January of 1987, I was named Actuary and Manager of the Personal Lines Actuarial Division. In 2003, because of the growth of our international commitment, ISO split the Personal Lines Actuarial Division into two Divisions—Personal Automobile Actuarial and Personal Property Actuarial. I am

presently Assistant Vice President and Actuary in charge of the Personal Automobile Actuarial Division.

Q. What is your background in actuarial science and your educational background?

A. I have a Bachelor of Science degree and a Master of Arts degree in mathematics from St. John's University. I am a Fellow of the Casualty Actuarial Society ("CAS") and a member of the American Academy of Actuaries. I am currently vice-chair of the CAS Prizes and Awards Administration Committee. I have been a member of the Program Planning Committee, the Professional Education Policy Committee, and I have served on the CAS Committee on Principles, the CAS Examination Committee, the CAS Risk Classification Committee and on the CAS Editorial Committee. I have also served as a member of the American Academy of Actuaries Committee on Property and Liability Issues. I am currently a chair of the Casualty Committee of the Actuarial Standards Board, and I previously served as chairman of the Ratemaking Subcommittee of the Casualty Committee of the Actuarial Standards Board.

Q. Are you familiar with automobile ratemaking in other states?

A. As part of my duties at ISO, I know the data collection and ratemaking procedures in use in states other than North Carolina. I have worked on rate filings for virtually every state in which ISO has jurisdiction. I am responsible at the present time for either preparing or supervising the preparation of filings for 49 of the states and the District of Columbia and Puerto Rico.

Q. What work have you performed with respect to the Reinsurance Facility's 2007 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 2007 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, 2003, December 31, 2004, and December 31, 2005. 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, 2005 were fully credible and could be given 100% credibility weighting for calculating anticipated rate level needs. Accordingly,

the mathematical calculations underlying the indicated average rate level changes and filed base rate changes are based on the exposure distribution, loss experience and expense experience for the year ended December 31, 2005. 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, 2005 consist of all losses caused by accidents which occurred during the one year period ended December 31, 2005. If an accident occurred December 29, 2004 and resulted in either a loss being paid or a reserve being established after January 1, 2005, that loss would be a part of the accident year losses for the period ended December 31, 2004. The test for breaking losses down into accident years is the date the accident occurred.

Q. Does the filing contain an exhibit which shows the criteria for determining the credibility to be assigned to a single year's data?

A. Yes. The credibility table at the top of page D-21 of the filing shows the number of claims which are necessary for assigning full credibility to a single year's data. It also shows the number of claims that would be necessary for assigning partial credibility. These are the criteria which are currently used by ISO on a countrywide basis. These credibility standards are based on a formula described in the paper "On the Credibility of the Pure Premium" by Mayerson, Jones and Bowers. This paper was published in the Proceedings of the Casualty Actuarial Society for 1968, Volume LV. The full standard of 4,000 claims is based on the criterion that the observed (actual) pure premium should be within 5% of the expected pure premium with a probability of 95%. In simpler terms, we are using a P (probability) value of 95%, and a k (tolerance) value of plus or minus 5%.

The chart shows that if the average number of claims is 4,000 or greater, 100% credibility should be assigned to the latest year's data, with zero weight being assigned to data for the earlier years. The average number of claims is the annual average for the two latest accident years. If the average number of claims for a particular coverage over a two year period were 3,700, that would mean that you should use both years' experience in calculating rates. In that example, ninety (90%) percent weight should be given to the latest year and 10% to the earlier year.

Q. Page D-21 also has a table showing the factors for territorial credibility. Please explain that.

A. Once the statewide rate change is determined, it is necessary to apply the overall change to each of the territories in the state. The territory credibility table is used to determine how much credibility is assigned to the three-year experience for a particular territory. The reason for the difference in the number of claims as between statewide credibility and territorial credibility is that for the development of rates by territory a wider confidence

interval is permitted. We use a 90% confidence interval for territory purposes, but a stricter 95% confidence interval for the statewide rate level calculation.

Q. Please explain the trend credibility table in the lower right-hand portion of page D-21.

A. In some states the number of claims is so small that full credibility should not be assigned to the calculated trends. That is clearly not the case in North Carolina. The trend credibility table shows that 10,623 claims are necessary for full credibility for trends. The number of claims in North Carolina far exceeds that standard. Therefore it is appropriate for the bodily injury, property damage and medical payments coverages to give the trend calculations full credibility. This does not mean that the past trends will necessarily continue into the future. That is something which we have to consider and evaluate carefully. It does mean, however, that we can be confident that the trend calculations are accurate representations of what did in fact occur during the period covered by the trend calculations.

Q. As part of your testimony, have you prepared an exhibit that shows the average number of claims over the last two accident years for each of the coverages in the filing?

A. Yes. Exhibit RF-3 shows the average number of claims for the accident years ended December 31, 2004 and December 31, 2005. 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, 2005.

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 2003, 2004 and 2005 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, 2005. 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, 2005. When they are reported to us they are evaluated as of March 31, 2006. As of March 31, 2006, 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, 2005. 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, 2001 is \$468,576,304. 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, 2001. The evaluation was made as of March 31, 2002 -- 15 months after the beginning of the accident year. Twelve months later (March 31, 2003), the losses caused by accidents which occurred during the year ended December 31, 2001 had grown to \$486,718,769. This is the evaluation as of 27 months after the beginning of the accident year. This increase from roughly \$469 million to \$487 million represents a growth in losses, or a positive development, of 3.9% (1.039) as shown in the column on the lower portion of the page labeled "15 to 27 Mos." As shown on page D-11, we have looked at the average development from 15 months to 27 months over the period from accident year 2001 to 2004 and over the latest five years. The average development for the three years was 1.055 or 5.5%, and the average development for the latest five years was 1.061 or 6.1%. 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, 2001 had grown to \$497,255,745. 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 1.029 or 2.9%.

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, 2005 losses was determined?

A. Yes. The development factors for each of the applicable periods, as shown on page D-11, are:

<u>Development Period</u>	<u>Factor</u>
51 to 63	1.004
39 to 51	1.015
27 to 39	1.029
15 to 27	1.055

If you multiply all of these factors, rounding at each step, you will get the average development from the initial evaluation at 15 months to the ultimate payment value at 63 months. The result of that multiplication is 1.107 or 10.7% total development. Since losses have historically increased or developed by 10.7% 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, 2005 will do likewise. Accordingly the developed losses shown in the filing for the accident year ended December 31, 2005 include a 10.7% 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 \$11,407,173 represents.

A. These are the unallocated loss adjustment expenses associated with accidents that occurred in the accident year ended December 31, 2005. 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 0.128 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 \$19,421,107 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, 2005. 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 5.1% for general expenses and 8.3% for other acquisition expenses, for a total of 13.4% 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, 2005, 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, 2007 for new and renewal business.
- Q. Would you please explain line 7?
- A. The figure 399,937 in line 7 displays the earned exposures of other than clean risks ceded to the Facility for the Bodily Injury coverage for the year 2005. An earned exposure represents one car insured for one year. Thus, the 399,937 represents the number of cars that were provided with coverage during the year 2005. 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, 2007 through September 30, 2008. 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 2007 and 2008 policies will be the same as the losses which are shown on line 3 for the accident year ended December 31, 2005. The purpose of line 11 is to trend the losses which are shown on line 3 to the anticipated level for 2007 and 2008 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 1.004 or 0.4% 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 1.004 to the 3.03 power. This gives you the total amount of the trend projection.

Q. How were these trends determined?

A. They were selected by the Automobile Committee based on its review and discussion of a variety of information. Much of the information they reviewed was provided by ISO. The primary data for this analysis are what we refer to as "internal" trend data. These are the cost and frequency data for all companies writing private passenger non-fleet automobile insurance in North Carolina, for which trend lines were determined for several different time intervals both on a linear and on an exponential basis in order to determine what the actual changes for both cost and frequency have been in the recent past. This information is included in the filing at pages F-125 through F-133.

Fast Track data were also provided. This is data from the so-called Fast Track Data System, a program administered under the auspices of the National Association of Insurance Commissioners ("NAIC"). This program was developed in the 1970's in response to a concern that the internal trend data were not produced currently enough to indicate the most up-to-date trends in accident frequency or severity. Fast Track data are collected, as the name implies, on a more expedited basis from among a number of the larger automobile insurance writers. There are a number of problems with Fast Track data. For instance, they do not include the trend data of all insurers and are not subjected to the verification procedures which are applied to the internal trend data. Further, the Fast Track data, which are also compiled on a calendar year basis, are somewhat biased due to the relative growth of participating companies and the share of the market in claims and exposures they represent. Nonetheless, they can be useful on some coverages as a tool to assist in making judgments about likely trends where they are more current than other available data. It should be noted that the Fast Track data used in this filing are the same Fast Track data

supplied directly to the Commissioners by ISO, NISS and PCI. The Fast Track data and trend calculations are included in the filing at pages F-117 through F-124.

Q. Are the Fast Track data included in the Filing more current data than the internal trend data of the aggregate industry considered by the Automobile Committee?

A. No. Both the Fast Track data and the internal trend data were through 3rd quarter 2006.

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)	3.5%	-3.0%	0.4%
Bodily Injury (T/L)	3.5%	-	-
Property Damage	2.0%	-2.0%	0.0%
Medical Payments	3.0%	-4.0%	-1.1%

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 3.5% 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 2.6% to 4.6%. The selection of 3.5% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends. The total limits trend factor selected was 3.5%. This is based upon the total limits cost trend data, showing fitted changes of 3.5%, 3.5%, and 3.4% for the 9 point, 12 point, and 15 point fitted changes, respectively.

For Bodily Injury claim frequency, the Rate Bureau selected -3.0%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a range of -1.5% and -4.9%. The selection of -3.0% is reasonable and is consistent with giving consideration to both the longer term and shorter term trend fits.

For the Property Damage coverage, the Rate Bureau selected a cost trend of 2.0%. The 15 point, 12 point, 9 point and 6 point fits annual rate of change are within the range of 0.1% to 3.3%. The selection of 2.0% is reasonable and is consistent with giving consideration to both the longer term and shorter term trends.

For Property Damage claim frequency, the Rate Bureau selected -2.0%. The Bureau examined the fitted paid claim frequency data and noted that annual rate of change for claim frequency was within a range of -0.2% and -4.5%. The selection of -2.0% is reasonable and is consistent with giving consideration to both the longer term and shorter term trend fits.

For the Medical Payments coverage, the Rate Bureau selected a cost trend of +3.0%. 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 -4.0%. 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 shortest and longest 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 3.0% 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 3.0% 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 3.0% 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 \$90,187,963 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, 2005. 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, 2005. 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, 2007. This means that policies will be written, assuming annual revisions, anywhere on average from October 1, 2007 through September 30, 2008. A policy written on the last day of that interval, September 30, 2008, assuming it is an annual policy, will expire on September 30, 2009. The period for which accidents will occur under these policies will be anywhere from October 1, 2007 through September 30, 2009. 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, 2008. If we were only talking about annual policies we would trend from the average date of accident underlying our base experience period, July 1, 2005, to October 1, 2008 - 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, 2008 would expire on March 31, 2009. The period for which accidents will occur on these policies will be from October 1, 2007 through March 31, 2009. 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, 2008.

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, 2008. Therefore, in order to adjust the base losses from July 1, 2005 level to July 12, 2008 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, 2008, 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 2006 North Carolina expense call for 2005 data undertaken by the North Carolina Rate Bureau. The provision for commission and brokerage reflects the minimum commission required on private passenger non-fleet business ceded to the Facility.
- Q. Would you explain line 26 entitled "Adjustment Factor for Increase in MVR Fee"?
- A. The Adjustment Factor for Increase in MVR Fee is an adjustment made to the needed overall Projected Loss, LAE and Expenses per Exposure found in line 21 to account for the increase in MVR charge from \$5 to \$8, effective 10/1/2005. (The factor of 1.00435 is the pro-rated portion of 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 3.9% of premium, as shown on page F-169 of the filing. That 3.9% 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 3.9% and 1.1%, we get the premiums which, when added to investment income and installment income, will equal the expected losses and expenses. This is the amount that the Facility in the aggregate needs to actually collect in order pay the expected losses and expenses on ceded business.
- Q. What is the Distributional Adjustment Factor as shown on line 28?

- A. The distributional adjustment factor as shown on line 28 is the average class factor reflecting the mix of the various use classes, inexperienced operator classes, multi car/single car risks and the average SDIP factor. It provides a measurement of how far from the base class on average the average risk is. For example, the 1.404 distributional adjustment factor for bodily injury liability indicates that, because of the application of these various rating factors, the average non-clean, ceded risk will pay 140.4% 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 2.2% 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 did not file for changes to the increased limits factors as part of the February 1, 2007 review 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 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 12/31/05.

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 -9.3% for bodily injury, 2.4% for property damage and -3.3% 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 4.6% decrease in ceded automobile liability insurance rates for the bodily injury and property damage coverages?
- A. If the motorcycle rate relativities are not adjusted, a 4.6% decrease 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 5.2% 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 -5.2% was determined.

A. The figures shown on lines 1, 2 and 5 of page G-2 were reported to the Rate Bureau by its member companies in response to a call for motorcycle data issued by the Rate Bureau. The information was compiled by the Rate Bureau and then furnished to ISO. The earned premiums at present rates were calculated by means of an actuarial technique known as earned on level factors. This technique uses adjustment factors to reflect the impact of any rate level changes made during and subsequent to each calendar year to bring the historic data up to current level.

Line 3 is a factor based on the total loss adjustment expenses for all three years in the experience period divided by the total incurred losses for the three-year period. This change was made several years ago because the calendar year incurred loss adjustment expenses reported in the Rate Bureau call were significantly impacted by reserve changes. The method selected smoothes out the impact of these changes. The resulting loss adjustment expenses are the products of the factor on line 3 and the incurred losses on line 2. These are displayed on line 4.

The figures shown on line 6 are the annual percentage trends in losses. They were determined by taking a weighted average of the trends used to calculate automobile rates for bodily injury, property damage and medical payments coverages.

The figure in line 7 for average annual change in expense costs is 3.0% per year. This is the same prospective expense trend figure used for automobile coverages. The 3.0% 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 12/31/05, for example, \$17,928,361 shown in line 11 is divided by the \$21,546,385 in line 1. The result is .832. What this means is that, if rates are not changed, 83.2 cents of every dollar of premium will be needed to cover losses, loss adjustment expenses, general expenses and other acquisition expenses.

Q. How was the Permissible Loss, LAE and G & OA Expense Ratio in line 13 calculated and what is its significance?

A. There are certain expenses which vary in direct proportion to the premium dollar. For example, commission and brokerage are determined as a percentage of written premium. Likewise, taxes vary on the basis of written premium. The percentages used to determine the permissible loss, LAE and G & OA expense ratio in line 13 are shown on page G-4 of the filing and are as follows for the liability coverages:

	2003	2004	2005
Commission and Brokerage	11.4%	10.3%	9.1%
Taxes, licenses, etc.	2.2%	2.1%	2.0%
Profit	0.0%	0.0%	0.0%
Contingencies	0.0%	0.0%	0.0%
Investment Income	-3.9%	-3.9%	-3.9%
Installment Income	-1.1%	-1.1%	-1.1%
	8.6%	7.4%	6.1%

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 8.6%, 7.4% and 6.1% 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 2005 were 6.1%. 1.000 minus 0.061 is equal to 0.939. What this means is that if 6.1 cents out of every premium dollar are allocated to the variable expenses, profit and contingencies, you have 93.9 cents available to pay losses, loss adjustment expenses, general expenses and other acquisition expenses.

Since line 12 tells us that, based on the 2005 data, we will need 83.2 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 93.9 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 +2.7%, -5.5% and -11.0% for the years 2003, 2004 and 2005 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 +2.7%, -5.5% and -11.0% by premiums in line 1. The resulting average is -5.2%.

Q. You indicated that the Reinsurance Facility's automobile rate filing was for an average decrease of 4.6% 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 decrease 4.6% and the motorcycle liability insurance rates go down 5.2%, the current motorcycle liability relativities should be multiplied by .948/.954 or .994. The calculations are shown on page G-6. Given the circumstances in this instance, the proposed relativities resulting from these calculations actually round to the same relativities currently in effect. The proposed relativities are actuarially sound and proper assuming that the filed liability rate changes for private passenger non-fleet automobile coverages for other than clean ceded risks are fully implemented. If those changes are not fully implemented, the proper relativities can be calculated by the following formula:

$$\text{New Relativity} = \frac{\text{Current Relativity} \times .948}{\text{Manual Rate Change in Ceded Auto BI/PD Rates}}$$

Q. Mr. Woods, please turn to pages F-169 through F-171 of Exhibit RF-1. What do those pages represent?

A. Pages F-169 through F-171 are what are commonly known as "State X" calculations. They are calculations of the estimated investment earnings on unearned premium reserves and loss and loss expense reserves. The sources for the data on these pages are shown on pages F-170 through F-171. Each line is explained, and the appropriate data source is cited.

Q. Would you explain the calculation.

A. Section A on page F-169 is the determination of the average unearned premium reserve for the ceded liability coverages for the State of North Carolina. Line 1 gives the direct earned premium for the accident year ended December 31, 2005. 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 12/31/2004 and 12/31/2005. In this case, the mean unearned premium reserve is 27.9% of the direct earned premium. You must then deduct prepaid expenses since these prepaid dollars would not be available to earn investment income.

For commission and brokerage expense, 100% of the expense provision as set forth on page F-169 is considered pre-paid. For other acquisition expense and company operating expense, one-half is considered pre-paid.

G.S. 105-228.5 as amended in 1986 specifies the procedure by which premium tax is to be paid by insurers. On average, these funds are held by insurers for approximately two months prior to remission to the State. Therefore 1.92% 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 15.4% of premiums. The explanation of this 15.4% is shown in the explanatory notes.

Part C shows the calculations of the expected mean loss reserves held by the companies. Line C-2 entitled Expected Incurred Losses and Loss Adjustment is based upon the expense provisions utilized in the filing. The derivation of the expected mean loss reserve in line C-3 is shown on page F-171 of the filing.

Part D adds up the unearned premium reserves subject to investment and the loss reserves subject to investment and backs out the amount that is not invested due to delayed remissions. This gives you the total amount of unearned premium reserves and loss and loss expense reserves available for investment.

Once you have determined how much is available for investment, you then apply the average investment return to determine total investment earnings. Line E shows an average yield of 5.15%. 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 3.91% pre-tax as a percent of direct earned premium.

- Q. Were these State X pages prepared by you or under your direct supervision and are they correct to the best of your knowledge and belief?
- A. Yes.
- Q. Does this filing propose any changes to the factors for higher limits of liability insurance?
- A. No. However, the effect of the higher limits experience is fully reflected in the basic limits rates for Bodily Injury and Property Damage.
- Q. Are there any changes in this filing to the classification factors?

A. No.

Q. Does the filing include a revision of the present territorial relativities?

A. Yes. In connection with the overall changes we have been discussing, new territory rates are displayed; these are shown on page B-1. In these rates, the new territorial relativities are determined in such a way that no overall statewide rate level change is caused. In other words, based on each territory's own indications, the relativities are revised, with some territories receiving increases while others receive decreases. The overall statewide change as a result of these territorial relativity changes is 0%.

Q. How has the Reinsurance Facility treated general and other acquisition expense by territory?

A. The Reinsurance Facility has treated 100% of general expense and other acquisition as not varying by territory.

Q. Please turn to page A-1 of Exhibit RF-1 and explain what is shown on that page?

A. Page A-1 of Exhibit RF-1 shows the filed rate level changes resulting from the rate calculations contained in the filing. The overall percentages are calculated by multiplying the changes shown for each coverage by the total limits premium for each of the coverages and then dividing by the total premium for all coverages in order to calculate what the average impact is for each category. The premiums that were utilized for these calculations are shown on page A-1.

Q. Do you have an opinion as to whether the data utilized and the method of calculating the filed rate level changes contained in the filing are sound and actuarially reliable and, if so, what is that opinion?

A. Yes, I have an opinion. In my opinion, the data utilized and the ratemaking methodologies used by the Reinsurance Facility are consistent with generally accepted actuarial procedures and they are actuarially sound and reliable.

Q. Do you have an opinion as to whether the filed rate level changes contained in Exhibit RF-1 are fully justified and, if so, what is that opinion?

A. In my opinion, they are fully justified and are not excessive.

PRE-FILED TESTIMONY
OF
ROBERT C. SCHUMACHER

2007 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 nine 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. Nine 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 2007 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, 2009?

A. Yes.

Q. Did you make those calculations?

A. Yes I have. I was requested in April, 2007 to make the calculations. Based on the size of the portfolio in April, 2007 and the yields at that time, I arrived at an estimate of the yield during the two-year period beginning October 1, 2007 and ending September 30, 2009 of approximately 5.15%.

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, 2009, I divided the Facility's portfolio as it stood at the beginning of April, 2007 into three segments. The first segment included investments which

will mature before October 1, 2007. The second segment consisted of investments which will mature during the period October 1, 2007 through September 30, 2009. The third segment consisted of all investments which will mature after September 30, 2009.

In looking at the third segment, the investments which will not mature until after September 30, 2009, 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, 2007 through September 30, 2009.

As to the first segment, i.e., the investments which will mature before October 1, 2007, 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, 2007 through September 30, 2009. For

those assets, I simply applied the current rate up until the maturity date. From the maturity date until September 30, 2009, 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 5.15% investment yield estimate that is based on your calculations and the assumptions used in your methodology is a reasonable estimate of what the Facility's investment yield will be?

A. Yes, I do have an opinion.

Q. What is that opinion?

A. I believe that the estimated yield is reasonable.

Q. Does that conclude your pre-filed testimony?

A. Yes.