



June 22, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Revised Form NCRF-30

The Form NCRF-30 Cession of Higher Limits has been revised. The purpose of the changes is to update and simplify the form. Companies are reminded that the Facility does not render advisory opinions on underwriting issues. A copy of the revised form is attached for your convenience.

Corresponding changes to Section 3 (0) (2) of the Standard Practice Manual have been recently distributed by AIPSO and reflect this change.

Questions regarding this circular should be directed to Jannet Barnes at 919-582-1022 or jbb@ncrb.org.

Sincerely,

Edith T. Davis

Director, Reinsurance Facility

RF-06-8

Attachment

NORTH CAROLINA REINSURANCE FACILITY STATEMENT OF ELIGIBILITY FOR CESSION OF HIGHER COVERAGE LIMITS – COMMERCIAL COVERAGES

The statutes creating the North Carolina Reinsurance Facility authorize the Facility to accept bodily injury and property damage liability limits up to 100/300/50. The Facility is further authorized to:

“accept motor vehicle insurance or financial responsibility limits in the amounts required by any federal law or federal agency regulation; by any law of this state; or by any rule duly adopted under Chapter 150B or by the North Carolina Utilities Commission.”

A North Carolina policy, otherwise eligible for cession to the Facility, with coverage limits above 100/300/50 may be issued and the policy remain eligible for cession to the Facility provided such higher coverage limits are required by any federal law or federal agency regulation, by any law of this state, or by any rule duly adopted under Chapter 150B of the General Statutes or by the North Carolina Utilities Commission.

INSURED'S NAME _____

(Please print)

INSURED'S ADDRESS _____

COVERAGE LIMITS REQUESTED _____

1. Coverage limits above 100/300/50 are requested in order to comply with the requirements of:

(check applicable box)

- a. Federal Motor Carrier Safety Administration
- b. Other Federal Law or Regulation _____ (identify)
- c. Rule Adopted by the North Carolina Utilities Commission _____ (identify)
- d. Rule Adopted under Chapter 150B _____ (identify)
- e. Other North Carolina Law _____ (identify)

2. Please answer the following:

- a. Is the carriage for hire? Yes No
- b. Do insured's vehicles operate in interstate or foreign commerce? Yes No
- c. What commodities will be transported? Be specific.

I certify that I am required under the rule, law or regulation identified above to purchase bodily injury and property damage liability limits in the amount requested above.

Certified by

Title

Date

Witness:

Agent or Salesperson

Date

NOTE: The insured must complete and sign a copy of Form NCRF-30, the agent must witness the insured's signature on this form and the signed form, or a copy thereof, must be retained in the ceding company's file. The form must be completed for each initial cession, and at least annually thereafter in connection with renewal cessions.