



We want to alert you to some significant changes happening in the coming weeks.

#### **New business binding procedure**

SiB **will require** Residency/Eligibility documentation to be **submitted for underwriter approval PRIOR** to binding new business. NC General Statute (NCGS) [58-2-164](#) states that *at least 2* specified Residency/Eligibility docs be submitted for a risk to be eligible to be written on an NC commercial auto policy. Do not expect any exceptions for new ventures or other proposed reasons the docs cannot be provided & approved prior to binding. Attached you will find the two NCGS that address the requirements for an NC CAP (rate evasion) and eligibility for cession to the NCRF ([58-37-1](#)).

We expect risks to provide valid NCDL and valid NC registration for at least one insured power unit at the time binding is requested. Depending on if the named insured is a not a natural person (corp, LLC, partnership, etc.), we could also require an [NCRF47](#) to accompany the other Residency/Eligibility proofs. If the liability limits are more than 100/300/50, we will also be requiring the [NCRF30](#) for these higher limits as well. If you call to bind, you will email these docs to the underwriter to whom you are speaking for approval. We will require valid NC registrations on **all insured power units** to come in with application, [sib Fee Consent 2022 Sept](#), and payment. Sending in all the docs at the time of binding is encouraged, but not required. Reminder that merely sending in the docs is part one. Part two is the underwriter reviewing and approving to bind the coverage. A separate page, [Binding Procedures ACIC BAGA New Business](#), with more specifics is also attached.

#### **Policy fee increase**

Our expenses for the Atlantic Casualty (ACIC) BA/GA business continue to increase (a few examples: SiB covers all underwriting reports and direct costs for motor carrier filings) while our commission has decreased again. Therefore, effective September 1, 2022 on new business and September 15, 2022, we will be increasing the policy fee on the ACIC BA/GA new business and renewal from \$25.00 to \$50.00. Even with an increase we remain in the same range or lower than others writing the same business in this space. You should see the new amount on the binder for new business, the fee consent form, the renewal offer letter, etc.

#### **NC Reinsurance Facility changes**

Effective October 1, 2022, there will be changes for Commercial Auto Policies (CAP) ceded to the North Carolina Reinsurance Facility (NCRF).

- The loss recoupment surcharge decreases from roughly 5.17% to 1.3%
- A *summary indication* of a rate increase is +7.4% overall, +5.7% Trucks, Tractors, Trailers, +11% Garage. A *summary indication* means the numbers summarize the change overall and even within the different sections (TTT, Zone-rated, etc) these are *summary indications*. So by territory, the changes will be different for any given policy &/or auto(s). Some changes will be more than the summary and some will be less.
- Commercial Auto (incl garage) rating territories for autos garaged in NC will be based on zip codes. To quote, we will need the zip code of the NC garaging location(s) of all auto(s) on the policy.

Regards,

Mark

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