297. UNINSURED MOTORISTS INSURANCE

The following is added to Rule **297.:**

A. Application

1. Uninsured Motorists Coverage

**a.** Uninsured Motorists Coverage must be provided on all policies that provide Motor Vehicle Liability Coverage, except those that cover:

**(1)** Only "commercial motor vehicles" as defined in G.S. 20-4.01(3d), which includes:

**(a)** A combination of motor vehicles that has a gross combination weight of at least 26,001 pounds and includes as part of the combination a trailer or semitrailer that has a gross vehicle weight of at least 10,001 pounds;

**(b)** A single-motor vehicle that has a gross vehicle weight of at least 26,001 pounds;

**(c)** A combination of motor vehicles that includes as part of the combination a towing unit that has a gross vehicle weight of at least 26,001 pounds and a trailer, semitrailer, service or utility trailer that has a gross vehicle weight of less than 10,001 pounds;

**(d)** Any motor vehicle that is designed to transport 16 or more passengers, including the driver; or

**(e)** A motor vehicle transporting hazardous materials that is required to be placarded in accordance with 49 C.F.R. Part 172, Subpart F.

**(2)** A fleet of five or more vehicles which are either owned or hired under a long-term contract that covers only "commercial motor vehicles" as defined in G.S. 20-4.01(3d) or only noncommercial motor vehicles, but not a fleet covering both "commercial motor vehicles" and noncommercial motor vehicles.

The determination of whether such vehicles constitute a fleet may be based upon the number of vehicles reported by the insured at the time of the issuance of the policy term in question, or, in the event of a renewal of the policy, the insurer may rely upon the number of vehicles reported by the insured at the time of the renewal of the policy for the policy term in question.

**b.** If provided, this coverage must apply to all autos insured on the policy in amounts equal to the highest Liability Coverage limits applicable to any one vehicle insured on the policy that is not a "commercial motor vehicle," as defined in G.S. 20-4.01(3d), subject to the following:

**(1)** At the option of the named insured, Uninsured Motorists Bodily Injury Coverage may be written at limits greater than or less than the limits provided for Bodily Injury Liability Coverage under the policy;

**(2)** At the option of the named insured, Uninsured Motorists Property Damage Coverage, which is subject to a $100 deductible applicable to the property of each insured, may be written at limits less than, but not greater than, the limits provided for Property Damage Liability Coverage under the policy;

**(3)** Uninsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage may not be written at limits lower than the Financial Responsibility limits applicable to Liability Coverage; and

**(4)** Uninsured Motorists Bodily Injury Coverage and Uninsured Motorists Property Damage Coverage may not be written at limits greater than $1,000,000 per person or $1,000,000 per accident, regardless of the limits provided for Liability Coverage.

2. Underinsured Motorists Coverage

The provisions of Paragraph **A.1.** apply to Underinsured Motorists Coverage, except as follows:

**a.** Underinsured Motorists Coverage must be written at limits equal to the limits of Uninsured Motorists Bodily Injury Coverage; and

**b.** Property Damage Coverage is not a component of Underinsured Motorists Coverage.

3. Notice Requirements

Every insurer that sells motor vehicle liability policies that are required to provide Uninsured and Underinsured Motorists Coverage shall give reasonable notice to the named insured, when the policy is issued and renewed, that:

**a.** The named insured is required to purchase Uninsured Motorists Bodily Injury Coverage, Uninsured Motorists Property Damage Coverage and Underinsured Motorists Bodily Injury Coverage;

**b.** The named insured's Uninsured Motorists Bodily Injury Coverage limits shall be equal to the highest limits of Bodily Injury Liability Coverage for any one noncommercial vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for Uninsured Motorists Bodily Injury Coverage;

**c.** The named insured's Uninsured Motorists Property Damage Coverage limits shall be equal to the highest limits of Property Damage Liability Coverage for any one noncommercial vehicle insured under the policy unless the insured elects to purchase lesser limits for Uninsured Motorists Property Damage Coverage;

**d.** The named insured's Underinsured Motorists Bodily Injury Coverage limits shall be equal to the highest limits of Bodily Injury Liability Coverage for any one noncommercial vehicle insured under the policy unless the insured elects to purchase greater or lesser limits for Underinsured Motorists Bodily Injury Coverage. However, the Underinsured Motorists Bodily Injury Coverage limits shall be equal to the Uninsured Motorists Bodily Injury Coverage limits provided under the policy; and

**e.** The named insured may purchase Uninsured Motorists Bodily Injury Coverage and Underinsured Motorists Bodily Injury Coverage with limits up to $1,000,000 per person and $1,000,000 per accident.

Such notice shall be included within the policy's original and renewal Declarations or in a separate notice accompanying the original and renewal Declarations in at least 12-point type, with language substantially similar to the language contained in G.S. 20-279.21(m).

4. Endorsements

Uninsured And Underinsured Motorists Coverage may be provided by attaching North Carolina Uninsured Motorists Coverage Endorsement CA 21 16**.** For split limits, also attach Split Uninsured Motorists Coverage Limits Endorsement CA 21 07**.**

B. Premium Computation

**1.** Identify the exposures in this jurisdiction for which coverage applies and for which a premium will be charged. Exposures include owned self-propelled vehicles and sets of registration plates not issued to a specific auto (including dealer and transporter plates).

Do not charge a premium for the following:

**a.** Trailers;

**b.** Hired and non-owned autos;

**c.** Owned vehicles which have not been assigned registration plates (such as Auto Dealers' inventory); or

**d.** Registration plates used to transport non-owned autos (such as drive-away contractors rated under Rule **269.**).

**2.** Determine the exposure type (Private Passenger Type or Other Than Private Passenger Type). For the purposes of this premium development, Private Passenger Types include exposures which are classified under Section **III** of Division One or are explicitly described as Private Passenger Types elsewhere in Division One. Unless instructed otherwise, all other exposures are considered to be Other Than Private Passenger Types, even when rating for other coverages is based on Private Passenger Types.

**3.** For some autos, the Uninsured And Underinsured Motorists Coverage Premium Formula is given in the section for that auto. For all other autos to which the coverage applies, the following premium formula applies for each auto. Note that the additional premium in Paragraph **B.4.** may apply in either case.

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|  | 🖙 | Additional Premium = Loss Cost |

**a.** Select the appropriate loss costs table as follows:

**(1)** For Single Limits Uninsured Motorists Bodily Injury and Property Damage Coverage, refer to state loss costs Table **297.B.3.a.(1)(LC).**

**(2)** For Single Limits Uninsured Motorists Bodily Injury and Property Damage Coverage and Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(2)(LC).**

**(3)** For Split Limits Uninsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(3)(LC).** The initial limits provided are the minimum financial responsibility limits required in North Carolina.

**(4)** For Split Limits Uninsured Motorists Property Damage Coverage, refer to state loss costs Table **297.B.3.a.(4)(LC).** The initial limits provided are the minimum financial responsibility limits required in North Carolina.

**(5)** For Split Limits Uninsured and Underinsured Motorists Bodily Injury Coverage, refer to state loss costs Table **297.B.3.a.(5)(LC).** The initial limits provided are the minimum financial responsibility limits required in North Carolina.

**4.** For policies (other than Auto Dealers) issued to individual named insureds, charge an additional premium once for each exposure. If split limits are provided, do not charge the additional premium a second time for Uninsured Motorists Property Damage Coverage.

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**a.** Loss Cost in state loss costs Table **297.B.4.a.(LC)**