MEMORANDUM

Effective October 1, 2018

RE: North Carolina Auto Liability Loss Recoupment Surcharge

Beginning October 1, 2018 the North Carolina Reinsurance Facility (NCRF) will implement a new commercial auto loss recoupment surcharge of 7.86% for all new and renewal commercial auto policies written in NC effective on or after October 1, 2018.

This does not affect personal auto policies, only commercial auto liability policies. The recoupment surcharge does not apply to other policies such as physical damage or cargo policies. This charge will be shown on the policy as part of the premium charges shown for bodily injury and property damage, as opposed to a separate charge.

Please let us know if you have any questions regarding this or how it will affect your policy.