

Size of Risk Distributions (Year-To-Date through month indicated)

| Size of Risk | May Count Number | 2009 Count Percent | December Count Number | 2008 Count Percent | December Count Number | 2007 Count Percent |
|-----------------|---------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|----------------------------|
| 0-499 | 731 | 7.3% | 3,811 | 12.6% | 4,250 | 11.2% |
| 500-999 | 5,858 | 58.8% | 16,008 | 52.8% | 20,370 | 53.7% |
| 1,000-4,999 | 2,518 | 25.3% | 7,747 | 25.6% | 9,692 | 25.5% |
| 5,000-9,999 | 472 | 4.7% | 1,568 | 5.2% | 2,126 | 5.6% |
| 10,000-24,999 | 300 | 3.0% | 881 | 2.9% | 1,076 | 2.8% |
| 25,000-49,999 | 56 | 0.6% | 194 | 0.6% | 290 | 0.8% |
| 50,000-99,999 | 15 | 0.2% | 79 | 0.3% | 95 | 0.3% |
| 100,000-499,999 | 10 | 0.1% | 23 | 0.1% | 47 | 0.1% |
| 500,000 + | 0 | 0.0% | 0 | 0.0% | 1 | 0.0% |
| TOTALS | 9,960 | 100.0% | 30,311 | 100.0% | 37,947 | 100.0% |
| | as of June 4, 2009 | | as of June 4, 2009 | | as of June 4, 2009 | |
| Size of Risk | May Dollars Number | 2009 Dollars Percent | December Dollars Number | 2008 Dollars Percent | December Dollars Number | 2007 Dollars Percent |
| 0-499 | 189,455 | 0.8% | 993,450 | 1.4% | 1,137,102 | 1.2% |
| 500-999 | 4,966,526 | 21.6% | 13,427,169 | 18.9% | 15,991,270 | 16.8% |
| 1,000-4,999 | 5,584,668 | 24.3% | 17,504,950 | 24.6% | 22,645,672 | 23.7% |
| 5,000-9,999 | 3,254,110 | 14.1% | 10,806,751 | 15.2% | 14,666,451 | 15.4% |
| 10,000-24,999 | 4,411,151 | 19.2% | 13,039,611 | 18.3% | 16,113,956 | 16.9% |
| 25,000-49,999 | 1,899,785 | 8.3% | 6,632,330 | 9.3% | 10,022,444 | 10.5% |
| 50,000-99,999 | 928,898 | 4.0% | 5,465,738 | 7.7% | 6,472,443 | 6.8% |
| 100,000-499,999 | 1,797,354 | 7.8% | 3,339,188 | 4.7% | 7,706,914 | 8.1% |
| 500,000 + | 0 | 0.0% | 0 | 0.0% | 651,136 | 0.7% |
| TOTALS | 23,031,947 | 100.0% | 71,209,187 | 100.0% | 95,407,388 | 100.0% |
| | as of June 4, 2009 | | as of June 4, 2009 | | as of June 4, 2009 | |
| Size of Risk | May Average Premium | 2009 | December Average Premium | 2008 | December Average Premium | 2007 |
| 0-499 | 259 | | 261 | | 268 | |
| 500-999 | 848 | | 839 | | 785 | |
| 1,000-4,999 | 2,218 | | 2,260 | | 2,337 | |
| 5,000-9,999 | 6,894 | | 6,892 | | 6,899 | |
| 10,000-24,999 | 14,704 | | 14,801 | | 14,976 | |
| 25,000-49,999 | 33,925 | | 34,187 | | 34,560 | |
| 50,000-99,999 | 61,927 | | 69,187 | | 68,131 | |
| 100,000-499,999 | 179,735 | | 145,182 | | 163,977 | |
| 500,000 + | 0 | | 0 | | 651,136 | |
| TOTALS | 2,312 | | 2,349 | | 2,514 | |
| | as of June 4, 2009 | | as of June 4, 2009 | | as of June 4, 2009 | |

For the Current Year, Counts and Premium are as of the Last Day of the Month Indicated.

Monthly New Assignment Totals As Of The Last Day Of Each Year (2009 As Of The Last Day Of The Appropriate Month)

| Month | 2009 YTD | | | 2008 | | | 2007 | | |
|-----------|----------|------------------|-----------------|--------|------------------|-----------------|--------|------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 853 | 1,799,957 | 2,110 | 1,306 | 2,442,337 | 1,870 | 1,633 | 3,998,539 | 2,449 |
| February | 852 | 1,546,062 | 1,815 | 1,252 | 1,888,023 | 1,508 | 1,728 | 3,276,093 | 1,896 |
| March | 935 | 1,624,539 | 1,737 | 1,257 | 2,180,147 | 1,734 | 2,046 | 3,824,033 | 1,869 |
| April | 860 | 1,732,018 | 2,014 | 1,275 | 2,600,997 | 2,040 | 1,715 | 2,711,009 | 1,581 |
| May | 843 | 1,507,626 | 1,788 | 1,161 | 1,947,845 | 1,678 | 1,687 | 3,488,736 | 2,068 |
| June | | | | 1,034 | 1,865,906 | 1,805 | 1,736 | 2,857,295 | 1,646 |
| July | | | | 1,085 | 1,898,482 | 1,750 | 1,367 | 3,537,140 | 2,588 |
| August | | | | 1,058 | 1,794,779 | 1,696 | 1,592 | 2,638,329 | 1,657 |
| September | | | | 979 | 1,773,204 | 1,811 | 1,425 | 2,705,406 | 1,899 |
| October | | | | 1,010 | 1,728,902 | 1,712 | 1,437 | 2,822,651 | 1,964 |
| November | | | | 705 | 1,366,002 | 1,938 | 1,134 | 1,717,042 | 1,514 |
| December | | | | 671 | 1,099,422 | 1,638 | 888 | 1,448,934 | 1,632 |
| Total | 4,343 | 8,210,202 | 1,890 | 12,793 | 22,586,046 | 1,766 | 18,388 | 35,025,207 | 1,905 |

as of June 4, 2009

as of June 4, 2009

as of June 4, 2009

Monthly Renewal Totals As Of The Last Day Of Each Year (2009 As Of The Last Day Of The Appropriate Month)

| Month | 2009 YTD | | | 2008 | | | 2007 | | |
|-----------|----------|------------------|-----------------|--------|------------------|-----------------|--------|------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 1,148 | 3,519,073 | 3,065 | 1,852 | 6,139,451 | 3,315 | 1,844 | 6,473,991 | 3,511 |
| February | 1,008 | 2,370,681 | 2,352 | 1,597 | 4,051,915 | 2,537 | 1,694 | 4,371,608 | 2,581 |
| March | 1,380 | 3,112,976 | 2,256 | 1,854 | 4,781,050 | 2,579 | 1,920 | 5,038,128 | 2,624 |
| April | 1,164 | 3,734,215 | 3,208 | 1,660 | 5,012,503 | 3,020 | 1,784 | 5,197,214 | 2,913 |
| May | 917 | 2,084,800 | 2,274 | 1,632 | 4,225,526 | 2,589 | 1,715 | 4,816,793 | 2,809 |
| June | | | | 1,581 | 4,008,116 | 2,535 | 1,757 | 4,771,378 | 2,716 |
| July | | | | 1,431 | 4,119,300 | 2,879 | 1,687 | 5,016,795 | 2,974 |
| August | | | | 1,494 | 3,612,087 | 2,418 | 1,803 | 5,478,332 | 3,038 |
| September | | | | 1,364 | 3,478,720 | 2,550 | 1,618 | 4,692,106 | 2,900 |
| October | | | | 1,465 | 4,082,907 | 2,787 | 1,723 | 4,998,318 | 2,901 |
| November | | | | 1,070 | 2,532,319 | 2,367 | 1,353 | 4,328,258 | 3,199 |
| December | | | | 929 | 3,920,098 | 4,220 | 1,273 | 3,556,555 | 2,794 |
| Total | 5,617 | 14,821,745 | 2,639 | 17,929 | 49,963,992 | 2,787 | 20,171 | 58,739,476 | 2,912 |

as of June 4, 2009

as of June 4, 2009

as of June 4, 2009

Monthly Combined New and Renewal Totals As Of The Last Day Of Each Year (2009 As Of The Last Day Of The Appropriate Month)

| Month | 2009 YTD | | | 2008 | | | 2007 | | |
|-----------|----------|------------------|-----------------|--------|------------------|-----------------|--------|------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 2,001 | 5,319,030 | 2,658 | 3,158 | 8,581,788 | 2,717 | 3,477 | 10,472,530 | 3,012 |
| February | 1,860 | 3,916,743 | 2,106 | 2,849 | 5,939,938 | 2,085 | 3,422 | 7,647,701 | 2,235 |
| March | 2,315 | 4,737,515 | 2,046 | 3,111 | 6,961,197 | 2,238 | 3,966 | 8,862,161 | 2,235 |
| April | 2,024 | 5,466,233 | 2,701 | 2,935 | 7,613,500 | 2,594 | 3,499 | 7,908,223 | 2,260 |
| May | 1,760 | 3,592,426 | 2,041 | 2,793 | 6,173,371 | 2,210 | 3,402 | 8,305,529 | 2,441 |
| June | | | | 2,615 | 5,874,022 | 2,246 | 3,493 | 7,628,673 | 2,184 |
| July | | | | 2,516 | 6,017,782 | 2,392 | 3,054 | 8,553,935 | 2,801 |
| August | | | | 2,552 | 5,406,866 | 2,119 | 3,395 | 8,116,661 | 2,391 |
| September | | | | 2,343 | 5,251,924 | 2,242 | 3,043 | 7,397,512 | 2,431 |
| October | | | | 2,475 | 5,811,809 | 2,348 | 3,160 | 7,820,969 | 2,475 |
| November | | | | 1,775 | 3,898,321 | 2,196 | 2,487 | 6,045,300 | 2,431 |
| December | | | | 1,600 | 5,019,520 | 3,137 | 2,161 | 5,005,489 | 2,316 |
| Total | 9,960 | 23,031,947 | 2,312 | 30,722 | 72,550,038 | 2,362 | 38,559 | 93,764,683 | 2,432 |

as of June 4, 2009

as of June 4, 2009

as of June 4, 2009

North Carolina Rate Bureau
 Workers Compensation - Residual Market
Miscellaneous Values

| | <u>4/1/2009</u> | <u>4/1/2008</u> | <u>4/1/2007</u> | <u>4/1/2006</u> | <u>4/1/2005</u> | <u>4/1/2004</u> | <u>4/1/2003</u> |
|--|--|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| Code 7370 - Taxicab Co - Employee Operated Vehicle | 54,375 | 51,608 | 50,918 | 48,630 | 47,705 | 45,365 | 44,535 |
| Code 7370 - Taxicab Co - Leased or Rented Vehicle | 36,250 | 34,405 | 33,945 | 32,420 | 31,803 | 30,243 | 29,690 |
| Domestic Terrorism Charge (DTEC) (eff 4/1/2005) - name changed to Catastrophe Other than Terrorism eff 9/1/08 | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 | -- | -- |
| Expense Constant | 250 | 250 | 250 | 210 | 210 | 210 | 210 |
| Terrorism Charge (eff 1/1/2003) | .02** | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 | 0.03 |
| Corporate Officer Weekly Maximum | 1,400 | 1,300 | 1,300 | 1,200 | 1,200 | 1,200 | 1,100 |
| Corporate Officer Weekly Minimum | 349 | 331 | 326 | 312 | 306 | 291 | 285 |
| Per Passenger Seat Surcharge - Maximum Surcharge Per Aircraft | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Per Passenger Seat Surcharge - Per Passenger Seat | 100 | 100 | 100 | 100 | 100 | 100 | 100 |
| Individual Partners | 36,600 | 34,700 | 34,300 | 32,700 | 32,100 | 30,500 | 30,000 |
| USL&HW % | 95% | 100% | 103% | 102% | 112% | 110% | 92% |
| Experience Rating Eligibility (premium last year or last two years) | 8,000 | 8,000 | 8,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| Retrospective Rating Plan | State Tax Multiplier | *** | 1.0300 | 1.0300 | 1.0310 | 1.0310 | 1.0310 |
| Retrospective Rating Plan | Federal Tax Multiplier | *** | 1.1050 | 1.1120 | 1.1200 | 1.1310 | 1.1200 |
| Retrospective Rating Plan | Expected Loss Ratio | *** | 0.5865 | 0.6208 | 0.6362 | 0.6487 | 0.6814 |
| Retrospective Rating Plan | Allocated Expense Ratio | *** | 0.6276 | 0.6605 | 0.6769 | 0.7006 | 0.7339 |
| Retrospective Rating Plan | Expense Ratio | *** | 0.3840 | 0.3500 | 0.3340 | 0.3210 | 0.2890 |
| Retrospective Rating Plan | Expense Ratio Loaded for ALAE Option | *** | 0.3430 | 0.3100 | 0.2930 | 0.2690 | 0.2360 |
| Hazard Group Tables Applicable | Hazard Groups A-G (effective 4/1/2008) | yes | yes | yes | no | no | no |
| Hazard Group Tables Applicable | Hazard Groups 1-4 | yes | yes | yes | yes | yes | yes |
| Maximum Minimum Premium | | 850 | 850 | 850 | 850 | 850 | 850 |
| Minimum Premium Multiplier | | 185 | 185 | 185 | 185 | 185 | 185 |
| | <u>1/1/2009</u> | <u>1/1/2008</u> | <u>1/1/2007</u> | <u>1/1/2006</u> | <u>1/1/2005</u> | <u>1/1/2004</u> | <u>1/1/2003</u> |
| *Maximum Weekly Benefit - Fatal Injury | 810 | 778 | 754 | 730 | 704 | 688 | 674 |
| *Maximum Weekly Benefit - Total Disability | 810 | 778 | 754 | 730 | 704 | 688 | 674 |
| *Maximum Weekly Benefit - Permanent Partial Disability | 810 | 778 | 754 | 730 | 704 | 688 | 674 |

***Maximum Weekly Benefits are set by the North Carolina Industrial Commission, and are effective for the Calendar Year.**

North Carolina Rate Bureau
 Workers Compensation - Residual Market
 Rate Change History

| <u>Industry Group</u> | Effective <u>04/01/09</u> | Effective <u>04/01/08</u> | Effective <u>04/01/07</u> | Effective <u>04/01/06</u> | Effective <u>04/01/05</u> | Effective <u>04/01/04</u> |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Manufacturing | -3.5% | 6.7% | 8.3% | 4.8% | 2.1% | 5.1% |
| Contracting | -4.1% | 7.7% | 5.0% | 9.9% | 5.6% | 1.4% |
| Office & Clerical | -7.8% | 0.1% | 9.6% | 14.8% | 8.2% | 6.6% |
| Goods & Services | -3.0% | 3.4% | 8.0% | 7.2% | 4.3% | 6.3% |
| Miscellaneous | -0.9% | -1.7% | 9.4% | 11.1% | 0.9% | 8.8% |
| Industrial Classifications Overall | -3.8% | 4.1% | 7.7% | 8.7% | 4.0% | 5.0% |
| Federal Classifications | 2.3% | -1.7% | -8.1% | 7.1% | -2.0% | 30.7% |

North Carolina Rate Bureau
 Workers Compensation - Residual Market
 Experience Mod and ARAP Distribution

From 01/01/09 to 5/31/09 as of June 4, 2009

| | <u>File Count</u> | <u>Premium Subtotal</u> | <u>Exp Mod Premium</u> | <u>Mod Effect</u> | <u>ARAP Premium</u> | <u>ARAP Effect</u> | <u>Est Annual Premium</u> |
|------------------------|-------------------|-------------------------|------------------------|-------------------|---------------------|--------------------|---------------------------|
| Risks with Credit MODS | 376 | 4,153,065 | 3,852,924 | 0.928 | 3,852,924 | 1.000 | 3,946,265 |
| Risks with Debit MODS | 117 | 1,141,117 | 1,428,090 | 1.251 | 1,709,382 | 1.197 | 1,738,242 |
| Risks with 1.00 mods | 1 | 402 | 402 | 1.000 | 402 | 1.000 | 652 |
| Risks with NO Mods | 9,476 | 15,448,399 | 15,448,399 | 1.000 | 15,448,399 | 1.000 | 17,704,965 |
| TOTALS | 9,970 | 20,742,983 | 20,729,815 | 0.999 | 21,011,107 | 1.014 | 23,390,124 |

From 01/01/08 to 12/31/08 as of June 4, 2009

| | <u>File Count</u> | <u>Premium Subtotal</u> | <u>Exp Mod Premium</u> | <u>Mod Effect</u> | <u>ARAP Premium</u> | <u>ARAP Effect</u> | <u>Est Annual Premium</u> |
|------------------------|-------------------|-------------------------|------------------------|-------------------|---------------------|--------------------|---------------------------|
| Risks with Credit MODS | 1,140 | 12,730,122 | 11,768,349 | 0.924 | 11,768,349 | 1.000 | 12,047,855 |
| Risks with Debit MODS | 337 | 5,833,783 | 6,800,261 | 1.166 | 7,919,570 | 1.165 | 8,002,281 |
| Risks with 1.00 mods | 12 | 113,594 | 113,594 | 1.000 | 113,594 | 1.000 | 116,594 |
| Risks with NO Mods | 29,254 | 45,868,610 | 45,868,610 | 1.000 | 45,868,610 | 1.000 | 52,759,542 |
| TOTALS | 30,743 | 64,546,109 | 64,550,814 | 1.000 | 65,670,123 | 1.017 | 72,926,272 |

North Carolina Rate Bureau
 Workers Compensation - Residual Market
 Projected Operating Gain/(Loss)

Updated 4/6/09

| | <u>Policy Year 2008</u> | | <u>Policy Year 2007</u> | | <u>Policy Years 07 & 08</u> | |
|--|-------------------------|---------------|-------------------------|---------------|---------------------------------|---------------|
| | <u>Dollars</u> | <u>Factor</u> | <u>Dollars</u> | <u>Factor</u> | <u>Dollars</u> | <u>Factor</u> |
| Est. Ultimate Pool Written Premium | 56,236 | | 72,988 | | 129,224 | |
| Estimated Ultimate Losses | 40,546 | 0.721 | 62,697 | 0.859 | 103,243 | 0.799 |
| Servicing Carrier Allowance | 14,335 | 0.255 | 18,240 | 0.250 | 32,575 | 0.252 |
| Other Expenses | 4,448 | 0.079 | 4,087 | 0.056 | 8,535 | 0.066 |
| Total Expenses | 59,329 | 1.055 | 85,024 | 1.165 | 144,353 | 1.117 |
| Estimated Operating Gain/(Loss) Residual Market | (3,093) | | (12,036) | | (15,129) | |
| Calendar Year Assessment Base | 982,297 | | 982,297 | | 1,964,594 | |
| Estimated Operating Gain/(Loss) to Cal Year Assessment Base | -0.3% | | -1.2% | | -0.8% | |

source: NCCI Residual Market Results as of Fourth Quarter, 2008. Evaluation is as of December 31, 2008.

note: 000 omitted from dollar amounts.