

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

| Size of Risk | November 2017 | | December 2016 | | December 2015 | | December 2014 | |
|-----------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Count Number | Count Percent | Count Number | Count Percent | Count Number | Count Percent | Count Number | Count Percent |
| 0-499 | 1,563 | 6.7% | 1,834 | 7.5% | 2,034 | 8.7% | 2,154 | 9.5% |
| 500-999 | 1,294 | 5.5% | 1,463 | 6.0% | 1,517 | 6.5% | 1,406 | 6.2% |
| 1,000-4,999 | 17,963 | 76.9% | 18,228 | 74.9% | 17,112 | 73.0% | 16,493 | 72.6% |
| 5,000-9,999 | 1,531 | 6.6% | 1,685 | 6.9% | 1,615 | 6.9% | 1,472 | 6.5% |
| 10,000-24,999 | 802 | 3.4% | 837 | 3.4% | 848 | 3.6% | 866 | 3.8% |
| 25,000-49,999 | 141 | 0.6% | 203 | 0.8% | 216 | 0.9% | 229 | 1.0% |
| 50,000-99,999 | 52 | 0.2% | 65 | 0.3% | 69 | 0.3% | 77 | 0.3% |
| 100,000-499,999 | 16 | 0.1% | 22 | 0.1% | 31 | 0.1% | 35 | 0.2% |
| 500,000 + | 0 | 0.0% | 1 | 0.0% | 0 | 0.0% | 0 | 0.0% |
| TOTALS | 23,362 | 100.0% | 24,338 | 100.0% | 23,442 | 100.0% | 22,732 | 100.0% |
| | as of Dec 7, 2017 | | as of Jan 5, 2017 | | as of Jan 4, 2016 | | as of Jan 5, 2015 | |
| Size of Risk | November 2017 | | December 2016 | | December 2015 | | December 2014 | |
| | Dollars Number | Dollars Percent | Dollars Number | Dollars Percent | Dollars Number | Dollars Percent | Dollars Number | Dollars Percent |
| 0-499 | 527,353 | 0.8% | 626,617 | 0.8% | 696,992 | 0.9% | 690,770 | 1.0% |
| 500-999 | 939,589 | 1.4% | 1,047,027 | 1.4% | 1,077,494 | 1.5% | 1,014,776 | 1.4% |
| 1,000-4,999 | 33,606,194 | 49.3% | 34,263,674 | 45.4% | 31,286,991 | 42.3% | 27,634,805 | 38.6% |
| 5,000-9,999 | 10,521,806 | 15.4% | 11,629,327 | 15.4% | 11,153,619 | 15.1% | 10,307,201 | 14.4% |
| 10,000-24,999 | 11,984,298 | 17.6% | 12,574,408 | 16.7% | 12,702,929 | 17.2% | 12,995,871 | 18.2% |
| 25,000-49,999 | 4,737,522 | 7.0% | 6,898,471 | 9.1% | 7,341,630 | 9.9% | 7,860,312 | 11.0% |
| 50,000-99,999 | 3,557,564 | 5.2% | 4,520,519 | 6.0% | 4,725,750 | 6.4% | 5,282,090 | 7.4% |
| 100,000-499,999 | 2,323,359 | 3.4% | 3,297,230 | 4.4% | 4,979,201 | 6.7% | 5,822,746 | 8.1% |
| 500,000 + | 0 | 0.0% | 617,426 | 0.8% | 0 | 0.0% | 0 | 0.0% |
| TOTALS | 68,197,685 | 100.0% | 75,474,699 | 100.0% | 73,964,606 | 100.0% | 71,608,571 | 100.0% |
| | as of Dec 7, 2017 | | as of Jan 5, 2017 | | as of Jan 4, 2016 | | as of Jan 5, 2015 | |
| Size of Risk | November 2017 | | December 2016 | | December 2015 | | December 2014 | |
| | Average Premium | | Average Premium | | Average Premium | | Average Premium | |
| 0-499 | 337 | | 342 | | 343 | | 321 | |
| 500-999 | 726 | | 716 | | 710 | | 722 | |
| 1,000-4,999 | 1,871 | | 1,880 | | 1,828 | | 1,676 | |
| 5,000-9,999 | 6,873 | | 6,902 | | 6,906 | | 7,002 | |
| 10,000-24,999 | 14,943 | | 15,023 | | 14,980 | | 15,007 | |
| 25,000-49,999 | 33,599 | | 33,983 | | 33,989 | | 34,325 | |
| 50,000-99,999 | 68,415 | | 69,546 | | 68,489 | | 68,599 | |
| 100,000-499,999 | 145,210 | | 149,874 | | 160,619 | | 166,364 | |
| 500,000 + | 0 | | 617,426 | | 0 | | 0 | |
| TOTALS | 2,919 | | 3,101 | | 3,155 | | 3,150 | |
| | as of Dec 7, 2017 | | as of Jan 5, 2017 | | as of Jan 4, 2016 | | as of Jan 5, 2015 | |

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 (2017 As Of The Last Day Of The Appropriate Month)

| Month | 2017 YTD | | | 2016 | | | 2015 | | |
|--------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 1,209 | 3,465,058 | 2,866 | 980 | 3,552,631 | 3,625 | 1,135 | 4,589,607 | 4,044 |
| February | 1,304 | 3,625,955 | 2,781 | 1,022 | 3,072,498 | 3,006 | 945 | 3,236,370 | 3,425 |
| March | 1,615 | 4,096,348 | 2,536 | 1,365 | 3,869,657 | 2,835 | 1,246 | 4,247,764 | 3,409 |
| April | 1,374 | 3,542,505 | 2,578 | 1,248 | 3,260,676 | 2,613 | 1,081 | 3,351,031 | 3,100 |
| May | 1,399 | 3,600,589 | 2,574 | 1,087 | 3,252,138 | 2,992 | 1,088 | 3,216,957 | 2,957 |
| June | 1,447 | 3,922,899 | 2,711 | 1,069 | 3,588,924 | 3,357 | 1,075 | 3,154,777 | 2,935 |
| July | 1,302 | 3,915,852 | 3,008 | 1,077 | 3,156,840 | 2,931 | 1,034 | 3,276,218 | 3,168 |
| August | 1,412 | 4,045,472 | 2,865 | 1,081 | 2,891,106 | 2,674 | 1,064 | 2,715,552 | 2,552 |
| September | 1,343 | 4,005,338 | 2,982 | 1,067 | 3,714,605 | 3,481 | 1,049 | 3,012,183 | 2,871 |
| October | 1,493 | 4,362,155 | 2,922 | 916 | 2,321,467 | 2,534 | 1,051 | 3,292,500 | 3,133 |
| November | 1,332 | 3,677,373 | 2,761 | 888 | 2,276,770 | 2,564 | 807 | 2,165,924 | 2,684 |
| December | | | | 869 | 2,236,220 | 2,573 | 880 | 3,189,941 | 3,625 |
| Total | 15,230 | 42,259,544 | 2,775 | 12,669 | 37,193,532 | 2,936 | 12,455 | 39,448,824 | 3,167 |

as of Dec 7, 2017

as of Dec 7, 2017

as of Jan 5, 2016

Monthly Renewal Totals As Of The Last Day Of Each Year (2017 As Of The Last Day Of The Appropriate Month)

| Month | 2017 YTD | | | 2016 | | | 2015 | | |
|--------------|--------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 767 | 2,811,018 | 3,665 | 988 | 3,847,544 | 3,894 | 948 | 2,994,534 | 3,159 |
| February | 726 | 2,552,205 | 3,515 | 938 | 3,357,644 | 3,580 | 905 | 3,730,463 | 4,122 |
| March | 939 | 3,003,743 | 3,199 | 1,182 | 3,674,726 | 3,109 | 1,156 | 3,769,359 | 3,261 |
| April | 880 | 2,689,640 | 3,056 | 1,021 | 3,263,018 | 3,196 | 979 | 3,240,558 | 3,310 |
| May | 865 | 2,650,609 | 3,064 | 1,034 | 3,138,845 | 3,036 | 1,019 | 3,130,481 | 3,072 |
| June | 778 | 2,528,495 | 3,250 | 1,055 | 3,235,815 | 3,067 | 973 | 2,918,392 | 2,999 |
| July | 754 | 2,622,183 | 3,478 | 1,041 | 3,432,806 | 3,298 | 1,031 | 3,642,026 | 3,533 |
| August | 707 | 1,731,432 | 2,449 | 1,018 | 3,026,093 | 2,973 | 959 | 2,973,685 | 3,101 |
| September | 708 | 2,578,112 | 3,641 | 966 | 3,218,335 | 3,332 | 876 | 3,152,101 | 3,598 |
| October | 599 | 1,783,259 | 2,977 | 1,079 | 3,885,850 | 3,601 | 971 | 3,657,486 | 3,767 |
| November | 409 | 987,445 | 2,414 | 765 | 2,589,479 | 3,385 | 768 | 2,750,070 | 3,581 |
| December | | | | 699 | 2,480,720 | 3,549 | 640 | 2,186,976 | 3,417 |
| Total | 8,132 | 25,938,141 | 3,190 | 11,786 | 39,150,875 | 3,322 | 11,225 | 38,146,131 | 3,398 |

as of Dec 7, 2017

as of Dec 7, 2017

as of Jan 5, 2016

Monthly Combined New and Renewal Totals As Of The Last Day Of Each Year (2017 As Of The Last Day Of The Appropriate Month)

| Month | 2017 YTD | | | 2016 | | | 2015 | | |
|--------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|
| | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium | Count | Est Annl Premium | Average Premium |
| January | 1,976 | 6,276,076 | 3,176 | 1,968 | 7,400,175 | 3,760 | 2,083 | 7,584,141 | 3,641 |
| February | 2,030 | 6,178,160 | 3,043 | 1,960 | 6,430,142 | 3,281 | 1,850 | 6,966,833 | 3,766 |
| March | 2,554 | 7,100,091 | 2,780 | 2,547 | 7,544,383 | 2,962 | 2,402 | 8,017,123 | 3,338 |
| April | 2,254 | 6,232,145 | 2,765 | 2,269 | 6,523,694 | 2,875 | 2,060 | 6,591,589 | 3,200 |
| May | 2,264 | 6,251,198 | 2,761 | 2,121 | 6,390,983 | 3,013 | 2,107 | 6,347,438 | 3,013 |
| June | 2,225 | 6,451,394 | 2,900 | 2,124 | 6,824,739 | 3,213 | 2,048 | 6,073,169 | 2,965 |
| July | 2,056 | 6,538,035 | 3,180 | 2,118 | 6,589,646 | 3,111 | 2,065 | 6,918,244 | 3,350 |
| August | 2,119 | 5,776,904 | 2,726 | 2,099 | 5,917,199 | 2,819 | 2,023 | 5,689,237 | 2,812 |
| September | 2,051 | 6,583,450 | 3,210 | 2,033 | 6,932,940 | 3,410 | 1,925 | 6,164,284 | 3,202 |
| October | 2,092 | 6,145,414 | 2,938 | 1,995 | 6,207,317 | 3,111 | 2,022 | 6,949,986 | 3,437 |
| November | 1,741 | 4,664,818 | 2,679 | 1,653 | 4,866,249 | 2,944 | 1,575 | 4,915,994 | 3,121 |
| December | | | | 1,568 | 4,716,940 | 3,008 | 1,520 | 5,376,917 | 3,537 |
| Total | 23,362 | 68,197,685 | 2,919 | 24,455 | 76,344,407 | 3,122 | 23,680 | 77,594,955 | 3,277 |

as of Dec 7, 2017

as of Dec 7, 2017

as of Jan 5, 2016

North Carolina Rate Bureau
 Workers Compensation - Residual Market

Updated 11/7/2017

Miscellaneous Values

| | <u>4/1/2018</u> | <u>4/1/2017</u> | <u>4/1/2016</u> | <u>4/1/2015</u> | <u>4/1/2014</u> |
|---|-----------------|-----------------|-----------------|-----------------|-----------------------------|
| Code 7370 - Taxicab Co - Employee Operated Vehicle | 69,300 | 66,900 | 65,200 | 64,100 | 62,600 |
| Code 7370 - Taxicab Co - Leased or Rented Vehicle | 46,200 | 44,600 | 43,500 | 42,700 | 41,800 |
| Domestic Terrorism Charge (DTEC) (eff 4/1/2005) | 0.01 | 0.01 | 0.01 | 0.01 | 0.01 |
| - name changed to Catastrophe Other than Terrorism eff 9/1/08 | | | | | |
| Expense Constant | 160 | 160 | 160 | 250 | 250 |
| Terrorism (Assigned Risk) | 0.01 | 0.02 | 0.02 | 0.02 | 0.02 |
| Corporate Officer Weekly Maximum | 1,800 | 1,700 | 1,700 | 1,600 | 1,600 |
| Corporate Officer Weekly Minimum | 900 | 850 | 850 | 800 | 800 |
| Per Passenger Seat Surcharge - Maximum Surcharge Per Aircraft | n/a | n/a | n/a | n/a | 1,000 |
| Per Passenger Seat Surcharge - Per Passenger Seat | n/a | n/a | n/a | n/a | 100 |
| Individual Partners and Sole Proprietors | 46,200 | 44,600 | 43,500 | 42,700 | 41,800 |
| USL&HW % | 92% | 92% | 92% | 91% | 92% |
| Experience Rating Eligibility (premium last year or last two years) | 10,000 | 10,000 | 10,000 | 8,000 | 8,000 |
| Maximum Minimum Premium | 1,500 | 1,500 | 1,500 | 1,500 | 1,250 |
| Minimum Premium Multiplier | 200 | 200 | 200 | 200 | 200 |
| | <u>1/1/2018</u> | <u>1/1/2017</u> | <u>1/1/2016</u> | <u>1/1/2015</u> | <u>1/1/2014[^]</u> |
| *Maximum Weekly Benefit - Fatal Injury | 992 | 978 | 944 | 920 | 904 |
| *Maximum Weekly Benefit - Total Disability | 992 | 978 | 944 | 920 | 904 |
| *Maximum Weekly Benefit - Permanent Partial Disability | 992 | 978 | 944 | 920 | 904 |

***Maximum Weekly Benefits are set by the North Carolina Industrial Commission, and are effective for the Calendar Year. (<http://www.ic.nc.gov/ncic/pages/maxrates.htm>)**

[^] The North Carolina Industrial Commission reduced 1/1/2014 maximum by \$8 in early March; as originally published, this was \$912.

North Carolina Rate Bureau
Workers Compensation - Residual Market

Updated 11/7/2016

Rate Change History

| | Effective <u>04/01/18</u> | Effective <u>04/01/17</u> | Effective <u>04/01/16</u> | Effective <u>04/01/15</u> | Effective <u>04/01/14</u> |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| <u>Industry Group</u> | | | | | |
| Manufacturing | -12.5% | -7.6% | 2.8% | -3.4% | 4.1% |
| Contracting | -11.4% | -5.4% | -0.1% | -3.9% | 1.8% |
| Office & Clerical | -12.8% | -13.6% | 1.2% | -6.1% | 2.9% |
| Goods & Services | -12.6% | -8.6% | 1.8% | -5.5% | 5.3% |
| <u>Miscellaneous</u> | <u>-13.2%</u> | <u>-8.3%</u> | <u>3.8%</u> | <u>-3.6%</u> | <u>5.6%</u> |
| Industrial Classifications Overall | -12.5% | -8.3% | 1.9% | -4.5% | 4.2% |
| | | | | | |
| Federal Classifications | -8.8% | 11.0% | 12.7% | -7.7% | -3.3% |

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

From 01/01/2017 to 11/30/2017

Updated 12/7/2017

| | <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 | 493 | 4,945,673 | 4,615,284 | 0.933 | 4,615,284 | 1.000 | 4,615,284 |
| Risks with Debit MODS | 260 | 2,466,292 | 3,396,174 | 1.377 | 4,212,033 | 1.240 | 4,212,033 |
| Risks with 1.00 mods | 3 | 70,690 | 70,690 | 1.000 | 70,690 | 1.000 | 70,690 |
| Risks with NO Mods | 22,639 | 59,660,484 | 59,660,484 | 1.000 | 59,660,484 | 1.000 | 59,660,484 |
| TOTALS | 23,395 | 67,143,139 | 67,742,632 | 1.009 | 68,558,491 | 1.012 | 68,558,491 |

From 01/01/2016 to 12/31/2016

Updated 12/7/2017

| | <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 | 797 | 7,457,819 | 6,900,278 | 0.925 | 6,900,278 | 1.000 | 6,900,278 |
| Risks with Debit MODS | 334 | 4,041,746 | 5,504,018 | 1.362 | 6,832,373 | 1.241 | 6,832,373 |
| Risks with 1.00 mods | 3 | 29,522 | 29,522 | 1.000 | 29,522 | 1.000 | 29,522 |
| Risks with NO Mods | 23,390 | 63,253,855 | 63,253,855 | 1.000 | 63,253,855 | 1.000 | 63,253,855 |
| TOTALS | 24,524 | 74,782,942 | 75,687,673 | 1.012 | 77,016,028 | 1.018 | 77,016,028 |

North Carolina Rate Bureau
 Workers Compensation - Residual Market

Updated 10/3/2017

Projected Operating Gain/(Loss)

| | <u>Policy Year 2016</u> | | <u>Policy Year 2015</u> | | <u>Policy Years 2015 & 2016</u> | |
|--|-------------------------|---------------|-------------------------|---------------|-------------------------------------|---------------|
| | <u>Dollars</u> | <u>Factor</u> | <u>Dollars</u> | <u>Factor</u> | <u>Dollars</u> | <u>Factor</u> |
| Est. Ultimate Pool Written Premium | 52,798 | | 58,066 | | 110,864 | |
| Estimated Ultimate Losses | 36,747 | 0.696 | 35,130 | 0.605 | 71,877 | 0.648 |
| Servicing Carrier Allowance | 11,146 | 0.211 | 12,264 | 0.211 | 23,410 | 0.211 |
| Other Expenses | 4,224 | 0.080 | 4,645 | 0.080 | 8,869 | 0.080 |
| Total Expenses | 52,117 | 0.990 | 52,039 | 0.896 | 104,156 | 0.940 |
| Estimated Operating Gain/(Loss) Residual Market | 681 | | 6,027 | | 6,708 | |
| Calendar Year Assessment Base | 982,152 | | 1,077,708 | | 2,059,860 | |
| Estimated Operating Gain/Loss to Cal Year Assessment Base | 0.1% | | 0.6% | | 0.3% | |

source: NCCI Residual Market Results as of Second Quarter, 2017 Evaluation is as of June 30, 2017.

note: 000 omitted from dollar amounts.