

NORTH CAROLINA RATE BUREAU

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March 12, 1996

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item R-1329 - 1996 Update to Retrospective Rating Plan Parameters

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved a proposal to revise the State and Hazard Group Relativities to update the Retrospective Rating Plan for the effect of loss size inflation. No change to the Table of Expected Loss Ranges was proposed.

Changes proposed by the captioned Item have been approved to become effective July 1, 1996, applicable to new and renewal business only.

Reprinted Manual pages will be distributed in the usual manner.

Pursuant to N.C.G.S. 58-36-100(1), as a result of the Commissioner's approval of the Bureau filing, (i) a carrier may elect to implement the filing, in which event the carrier need not file anything with the Commissioner; (ii) a carrier may elect to implement the filing with a different effective date, in which event the carrier must notify the Commissioner of its effective date before the effective date of the Bureau filing; (iii) a carrier may elect not to implement the filing, in which event the carrier must notify the Commissioner before the effective date of the Bureau filing; or (iv) a carrier may elect to implement the filing with modifications, in which event the carrier must file the modifications with the Commissioner for approval, and must specify the basis for the modifications and the carrier's proposed effective date if different from the effective date of the Bureau filing.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:lm

C-96-4

(Attachments Not Included)