

NORTH CAROLINA RATE BUREAU

POST OFFICE BOX 176010
RALEIGH, NORTH CAROLINA 27619-6010

JOHN W. WATKINS
General Manager

5401 SIX FORKS ROAD
RALEIGH, NORTH CAROLINA 27609-4435

TELEPHONE (919) 783-9790
FACSIMILE (919) 783-0355

JERRY G. HAMMICK
Workers Compensation Manager

F. TIMOTHY LUCAS
Personal Lines Manager

DAVID E. SINK, JR.
Accounting Manager

July 31, 2000

CIRCULAR LETTER TO ALL MEMBER COMPANIES

A PROMPT RESPONSE
IS URGENTLY NEEDED

Re: Twenty-Third Annual Meeting
October 24, 2000

The Twenty-Third Annual Meeting of the North Carolina Rate Bureau will convene at 8:30 a.m. on Tuesday, October 24, 2000. The meeting will be held in the Conference Center, Mid Pines Inn and Golf Club, 1010 Midland Road, Southern Pines, North Carolina.

A meeting of the Governing Committee will convene immediately following adjournment of the Twenty-Third Annual Meeting.

The following constitutes the agenda for the Annual Meeting:

1. The Annual Report

The Twenty-Third Annual Report will be presented.

2. Governing Committee Election

The Rate Bureau's Constitution provides that the Governing Committee shall be composed of six stock company members, six non-stock company members, and two nonvoting public members appointed by the Governor. With respect to the company members the Constitution provides that at least one member of the Governing Committee shall be a company domiciled in North Carolina, and that at each Annual Meeting the scheduled vacancies occurring in the Governing Committee shall be filled by the election of two stock and two non-stock companies to serve for terms of three years.

There is currently one nonvoting public member of the Governing Committee, Mr. Max Offerman of Cary, North Carolina.

The current company members of the Governing Committee are:

Term

Expires Stock Non-Stock

2000 Integon General Ins. Corp. Harleystville Mutual Ins. Co.

Royal
Insurance
Co. of
Amer.
Liberty
Mutual
Insurance
Co.

2001
Allstate
Insurance
Company
Auto-
Owners
Insurance
Co.

Hartford
Fire
Insurance
Co. N C
Farm
Bureau
Mut. Ins.
Co.

2002 Great American Ins. Co. State Auto. Mutual Ins. Co.

St. Paul
Fire &
Marine
Ins. Co.
State
Farm Mut.
Auto Ins.
Co.

It will be in order to elect two stock and two non-stock members for three-year terms to expire in 2003. The Constitution provides that no member shall be eligible to serve consecutively more than two three-year terms as a member of the Governing Committee. Of the four companies whose terms expire this year Harleystville Mutual Insurance Company and Royal Insurance Company of America will be eligible for re-election. Integon General Insurance Corporation and Liberty Mutual Insurance Company will not be eligible for re-election since those Companies will be completing second successive three-year terms.

The Chairman of the Governing Committee has appointed a Nominating Committee, and the report of the Nominating Committee will be presented at the Annual Meeting.

3. Any other business which might properly come before the meeting.

We urge that you have a representative of your Company in attendance at this meeting. For those companies which cannot be so represented, voting by proxy will be permitted. A proxy form is enclosed which we request that you complete and forward to this Office to the attention of Linda Gould, Office Services Coordinator, AS SOON AS POSSIBLE, but no later than October 1, 2000, whether or not your Company expects to be represented in person. This will help to assure that a quorum will be present. If a representative of your Company is present at the meeting, the proxy will not be used. It is suggested that our member companies consider naming as proxy one of the twelve current company members of the Governing Committee.

Very truly yours,

John W. Watkins

General Manager

JWW:lg

Enclosure

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NORTH CAROLINA RATE BUREAU

(PROXY FORM)

KNOW ALL MEN BY THESE PRESENTS THAT I ,

(Insert Name)

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, of the

(Insert Title) (Insert Name of Company)

do hereby constitute and appoint

(Insert Name of Company Appointed as Proxy)

as my attorney and agent for the said Company, in my name, place and stead to vote as proxy at the Twenty-Third Annual Meeting of the NORTH CAROLINA RATE BUREAU to be held on the Twenty-Fourth (24th) day of October, 2000 and/or such other date or dates to which such meeting may be adjourned, hereby giving to such attorney and agent power and authority to act conclusively for said Company on all questions which may duly come before such meeting as fully as I could act if I were personally present.

IN WITNESS WHEREOF I have hereunto subscribed my name and title and the name of said Company, this day of , 2000.

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(Signature) (Title)

(Company)

Return to:

North Carolina Rate Bureau

Att: Linda Gould

Office Services Coordinator

P. O. Box 176010

Raleigh, North Carolina 27619-6010