



September 3, 2002

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Twenty-Fifth Annual Meeting
October 22, 2002

The Twenty-fifth Annual Meeting of the North Carolina Rate Bureau will convene at 8:30 a. m. on Tuesday, October 22, 2002. The meeting will be held at the Grandover Resort and Conference Center, One Thousand Club Road, Greensboro, North Carolina 27407.

Immediately following adjournment of the Twenty-fifth Annual Meeting, a meeting of the Governing Committee will convene. The agenda for this meeting will be distributed shortly.

The following constitutes the agenda for the Annual Meeting:

1. The Annual Report

The Twenty-fifth 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 non-voting 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.

The current company members of the Governing Committee are:

<u>Term Expires</u>	<u>Stock</u>	<u>Non-Stock</u>
2002	Great American Ins.Co. St. Paul Fire & Mar. Ins. Co.	State Auto Mutual Ins. Co. State Farm Mut. Auto Ins. Co.
2003	Royal Insurance Co. of Amer. Travelers Indemnity Co.	Harleysville Mut. Ins. Co. Nationwide Mut. Ins. Co.
2004	Allstate Insurance Co. Integon Indemnity Ins. Co.	Auto-Owners Insurance Co. Liberty Mutual Ins. Co.

There are currently two non-voting public members of the Governing Committee, Mr. Max Offerman of Cary, North Carolina and Mr. John Wei of Cary, North Carolina.

It will be in order to elect two stock and two non-stock members for three year terms to expire in 2005. 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, St. Paul Fire & Marine Insurance Company and State Farm Mutual Auto Insurance Company will be eligible for re-election. Great American Insurance Company and State Automobile 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 that Committee will be presented.

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 that cannot be represented, voting by proxy is permitted. **A proxy form is enclosed which we request you complete and forward as soon as possible, but no later than October 1, 2002, whether or not your company expects to be represented in person.** This will help assure a quorum is present. If a representative of your company is present at the meeting, the proxy will not be used. It is suggested that member companies consider naming as proxy one of the twelve current company members of the Governing Committee.

Sincerely,

Raymond F. Evans, CPCU

General Manager

RFE:lm

G-02-2

NORTH CAROLINA RATE BUREAU

PROXY FORM

KNOW ALL MEN BY THESE PRESENTS THAT I

(Print or type name of preparer.)

_____, of the _____
(Print or type title of preparer.) (Print or type name of company)

do hereby constitute and appoint _____
(Type or print name of proxy.)

as my attorney and agent for the said company, in my name, place and stead to vote as proxy at the Twenty-fifth Annual Meeting of the North Carolina Rate Bureau to be held on the Twenty-second (22nd) day of October, 2002 and/or such other date or dates to which such 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 _____, 2002.

(Signature of Preparer) (Title of preparer)

(Name of Company appointing proxy)

Return to:

Lois Murphey, Executive Administrative Assistant
North Carolina Rate Bureau
P. O. Box 176010
Raleigh, North Carolina 27619-6010

Or, FAX to:
919 783-0355