



July 23, 2020

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Revisions to North Carolina Basic Manual Rule 4-A-2-g –
Reassignment Rule

The North Carolina Rate Bureau has filed and the North Carolina Commissioner of Insurance has approved revisions to the Reassignment Rule (Rule 4-A-2-g). The approved Rule changes will be applicable to all assigned risk policies effective on or after September 1, 2020.

The Reassignment Rule was created to allow an employer to request reassignment to a different assigned carrier at policy expiration, subject to approval of the Plan Administrator. These revisions to the Reassignment Rule provide ample time for the Plan Administrator to review the request and outline acceptable reasons for the request for reassignment with appropriate documentation.

A copy of the NCRB exhibit outlining all changes are included for your review.

If you have any questions, contact the NCRB Information Center at 919-582-1056 or via email at support@ncrb.org.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:ko
Attachment
C-20-23

Rule Revision – North Carolina Basic Manual
Part I – Rules
Rule 4-A-2-g
Effective September 1, 2020

Rule 4 – ASSIGNED RISK PLAN RULES
A. Workers Compensation Insurance Plan (WCIP)
2. Rules for Eligibility and Assignment

g. Reassignment

An employer may submit a written request for reassignment to a different assigned carrier 30 to 60 days prior to ~~upon~~ policy expiration unless otherwise approved by. ~~Any request for reassignment is subject to the approval of the Plan Administrator. If approved, reassignment will require the submission of a properly completed application and payment of the required initial or deposit premium and the employer must also otherwise be eligible for coverage through the Plan.~~

The employer must provide the Plan Administrator with acceptable reason(s) for the request with the appropriate documentation.

Acceptable reasons for reassignment requests from an employer are:

- Documented items pertaining to assigned carrier service—timely issuance of statements, policies, and endorsements, or services not provided under the policy
- Documented refusal of or inability of an assigned carrier to supply a required type of coverage (e.g., longshore, coal mine, maritime, and additional state exposures)
- Documented items pertaining to an assigned carrier's return of premium due to the insured, where there is no valid bona fide premium dispute
- The assigned carrier's A.M. Best rating or financial size category is below that required by the producer and/or employer and appropriate documentation of a required rating is provided to and approved by the Plan Administrator
- Other substantial documented reasons subject to approval at the discretion of the Plan Administrator

Any request for reassignment is subject to the approval of the Plan Administrator. If approved, reassignment will require the submission of a properly completed application and payment of the required initial or deposit premium and the employer must also otherwise be eligible for coverage through the Plan in accordance with Rule 4-A-2.