

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

| Size of Risk    | May 2019               |                         | December 2018          |                         | December 2017          |                         | December 2016          |                         |
|-----------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
|                 | Count<br><u>Number</u> | Count<br><u>Percent</u> | Count<br><u>Number</u> | Count<br><u>Percent</u> | Count<br><u>Number</u> | Count<br><u>Percent</u> | Count<br><u>Number</u> | Count<br><u>Percent</u> |
| 0-499           | 1,030                  | 8.5%                    | 2,016                  | 7.6%                    | 1,704                  | 6.9%                    | 1,834                  | 7.5%                    |
| 500-999         | 641                    | 5.3%                    | 1,720                  | 6.5%                    | 1,434                  | 5.8%                    | 1,463                  | 6.0%                    |
| 1,000-4,999     | 9,337                  | 76.7%                   | 20,015                 | 75.1%                   | 18,981                 | 76.5%                   | 18,228                 | 74.9%                   |
| 5,000-9,999     | 752                    | 6.2%                    | 1,806                  | 6.8%                    | 1,637                  | 6.6%                    | 1,685                  | 6.9%                    |
| 10,000-24,999   | 331                    | 2.7%                    | 831                    | 3.1%                    | 832                    | 3.4%                    | 837                    | 3.4%                    |
| 25,000-49,999   | 65                     | 0.5%                    | 173                    | 0.7%                    | 161                    | 0.7%                    | 203                    | 0.8%                    |
| 50,000-99,999   | 17                     | 0.1%                    | 68                     | 0.3%                    | 52                     | 0.2%                    | 65                     | 0.3%                    |
| 100,000-499,999 | 6                      | 0.1%                    | 13                     | 0.1%                    | 17                     | 0.1%                    | 22                     | 0.1%                    |
| 500,000 +       | 0                      | 0.0%                    | 1                      | 0.0%                    | 0                      | 0.0%                    | 1                      | 0.0%                    |
| <b>TOTALS</b>   | <b>12,179</b>          | <b>100.0%</b>           | <b>26,643</b>          | <b>100.0%</b>           | <b>24,818</b>          | <b>100.0%</b>           | <b>24,338</b>          | <b>100.0%</b>           |
|                 | as of June 3, 2019     |                         | as of Jan 4, 2019      |                         | as of Jan 3, 2018      |                         | as of Jan 5, 2017      |                         |

| Size of Risk    | May 2019                 |                           | December 2018            |                           | December 2017            |                           | December 2016            |                           |
|-----------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|--------------------------|---------------------------|
|                 | Dollars<br><u>Number</u> | Dollars<br><u>Percent</u> | Dollars<br><u>Number</u> | Dollars<br><u>Percent</u> | Dollars<br><u>Number</u> | Dollars<br><u>Percent</u> | Dollars<br><u>Number</u> | Dollars<br><u>Percent</u> |
| 0-499           | 339,615                  | 1.1%                      | 660,920                  | 0.8%                      | 573,083                  | 0.8%                      | 626,617                  | 0.8%                      |
| 500-999         | 454,910                  | 1.4%                      | 1,234,421                | 1.6%                      | 1,036,916                | 1.4%                      | 1,047,027                | 1.4%                      |
| 1,000-4,999     | 17,358,453               | 53.5%                     | 37,450,775               | 47.6%                     | 35,526,735               | 49.1%                     | 34,263,674               | 45.4%                     |
| 5,000-9,999     | 5,173,265                | 16.0%                     | 12,511,456               | 15.9%                     | 11,273,860               | 15.6%                     | 11,629,327               | 15.4%                     |
| 10,000-24,999   | 4,907,657                | 15.1%                     | 12,182,682               | 15.5%                     | 12,429,771               | 17.2%                     | 12,574,408               | 16.7%                     |
| 25,000-49,999   | 2,188,252                | 6.8%                      | 5,854,195                | 7.4%                      | 5,413,338                | 7.5%                      | 6,898,471                | 9.1%                      |
| 50,000-99,999   | 1,190,034                | 3.7%                      | 4,783,867                | 6.1%                      | 3,551,746                | 4.9%                      | 4,520,519                | 6.0%                      |
| 100,000-499,999 | 808,922                  | 2.5%                      | 2,105,969                | 2.7%                      | 2,501,932                | 3.5%                      | 3,297,230                | 4.4%                      |
| 500,000 +       | 0                        | 0.0%                      | 1,946,312                | 2.5%                      | 0                        | 0.0%                      | 617,426                  | 0.8%                      |
| <b>TOTALS</b>   | <b>32,421,108</b>        | <b>100.0%</b>             | <b>78,730,597</b>        | <b>100.0%</b>             | <b>72,307,381</b>        | <b>100.0%</b>             | <b>75,474,699</b>        | <b>100.0%</b>             |
|                 | as of June 3, 2019       |                           | as of Jan 4, 2019        |                           | as of Jan 3, 2018        |                           | as of Jan 5, 2017        |                           |

| Size of Risk    | May 2019                  |  | December 2018             |  | December 2017             |  | December 2016             |  |
|-----------------|---------------------------|--|---------------------------|--|---------------------------|--|---------------------------|--|
|                 | Average<br><u>Premium</u> |  | Average<br><u>Premium</u> |  | Average<br><u>Premium</u> |  | Average<br><u>Premium</u> |  |
| 0-499           | 330                       |  | 328                       |  | 336                       |  | 342                       |  |
| 500-999         | 710                       |  | 718                       |  | 723                       |  | 716                       |  |
| 1,000-4,999     | 1,859                     |  | 1,871                     |  | 1,872                     |  | 1,880                     |  |
| 5,000-9,999     | 6,879                     |  | 6,928                     |  | 6,887                     |  | 6,902                     |  |
| 10,000-24,999   | 14,827                    |  | 14,660                    |  | 14,940                    |  | 15,023                    |  |
| 25,000-49,999   | 33,665                    |  | 33,839                    |  | 33,623                    |  | 33,983                    |  |
| 50,000-99,999   | 70,002                    |  | 70,351                    |  | 68,303                    |  | 69,546                    |  |
| 100,000-499,999 | 134,820                   |  | 161,998                   |  | 147,172                   |  | 149,874                   |  |
| 500,000 +       | 0                         |  | 1,946,312                 |  | 0                         |  | 617,426                   |  |
| <b>TOTALS</b>   | <b>2,662</b>              |  | <b>2,955</b>              |  | <b>2,914</b>              |  | <b>3,101</b>              |  |
|                 | as of June 3, 2019        |  | as of Jan 4, 2019         |  | as of Jan 3, 2018         |  | as of Jan 5, 2017         |  |

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 (2019 As Of The Last Day Of The Appropriate Month)

| Month        | 2019 YTD     |                   |                 | 2018          |                   |                 | 2017          |                   |                 |
|--------------|--------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|
|              | Count        | Est Annl Premium  | Average Premium | Count         | Est Annl Premium  | Average Premium | Count         | Est Annl Premium  | Average Premium |
| January      | 1,087        | 2,615,567         | 2,406           | 973           | 3,012,145         | 3,096           | 1,213         | 3,621,266         | 2,985           |
| February     | 1,112        | 2,916,951         | 2,623           | 1,025         | 3,042,981         | 2,969           | 1,305         | 3,823,890         | 2,930           |
| March        | 1,202        | 3,290,950         | 2,738           | 1,220         | 3,544,910         | 2,906           | 1,616         | 4,308,184         | 2,666           |
| April        | 1,164        | 3,070,728         | 2,638           | 1,130         | 2,887,030         | 2,555           | 1,375         | 3,642,866         | 2,649           |
| May          | 1,180        | 3,059,342         | 2,593           | 1,131         | 2,720,900         | 2,406           | 1,400         | 4,090,550         | 2,922           |
| June         |              |                   |                 | 1,136         | 3,259,546         | 2,869           | 1,446         | 3,970,025         | 2,746           |
| July         |              |                   |                 | 982           | 4,261,026         | 4,339           | 1,301         | 4,091,968         | 3,145           |
| August       |              |                   |                 | 1,132         | 2,877,116         | 2,542           | 1,412         | 3,949,170         | 2,797           |
| September    |              |                   |                 | 870           | 2,448,389         | 2,814           | 1,345         | 4,006,837         | 2,979           |
| October      |              |                   |                 | 1,294         | 3,442,875         | 2,661           | 1,496         | 4,414,530         | 2,951           |
| November     |              |                   |                 | 975           | 2,486,750         | 2,551           | 1,340         | 3,778,579         | 2,820           |
| December     |              |                   |                 | 745           | 1,895,284         | 2,544           | 1,102         | 3,439,752         | 3,121           |
| <b>Total</b> | <b>5,745</b> | <b>14,953,538</b> | <b>2,603</b>    | <b>12,613</b> | <b>35,878,952</b> | <b>2,845</b>    | <b>16,351</b> | <b>47,137,617</b> | <b>2,883</b>    |

as of June 3, 2019

as of June 3, 2019

as of Jan 4, 2019

Monthly Renewal Totals As Of The Last Day Of Each Year (2019 As Of The Last Day Of The Appropriate Month)

| Month        | 2019 YTD     |                   |                 | 2018          |                   |                 | 2017         |                   |                 |
|--------------|--------------|-------------------|-----------------|---------------|-------------------|-----------------|--------------|-------------------|-----------------|
|              | Count        | Est Annl Premium  | Average Premium | Count         | Est Annl Premium  | Average Premium | Count        | Est Annl Premium  | Average Premium |
| January      | 1,160        | 3,658,391         | 3,154           | 1,080         | 3,617,669         | 3,350           | 785          | 4,913,320         | 6,259           |
| February     | 1,180        | 3,474,828         | 2,945           | 1,079         | 3,319,477         | 3,076           | 730          | 2,577,589         | 3,531           |
| March        | 1,418        | 3,690,602         | 2,603           | 1,380         | 4,298,100         | 3,115           | 950          | 3,087,436         | 3,250           |
| April        | 1,360        | 3,383,707         | 2,488           | 1,263         | 3,382,436         | 2,678           | 898          | 2,729,802         | 3,040           |
| May          | 1,316        | 3,260,042         | 2,477           | 1,322         | 3,729,852         | 2,821           | 873          | 2,718,295         | 3,114           |
| June         |              |                   |                 | 1,256         | 3,474,382         | 2,766           | 789          | 2,655,435         | 3,366           |
| July         |              |                   |                 | 1,148         | 3,682,710         | 3,208           | 761          | 2,613,894         | 3,435           |
| August       |              |                   |                 | 1,173         | 3,328,921         | 2,838           | 736          | 1,880,694         | 2,555           |
| September    |              |                   |                 | 1,120         | 3,640,656         | 3,251           | 723          | 2,667,226         | 3,689           |
| October      |              |                   |                 | 1,043         | 2,934,589         | 2,814           | 613          | 2,112,971         | 3,447           |
| November     |              |                   |                 | 889           | 2,838,833         | 3,193           | 431          | 1,078,474         | 2,502           |
| December     |              |                   |                 | 809           | 2,557,750         | 3,162           | 456          | 1,257,793         | 2,758           |
| <b>Total</b> | <b>6,434</b> | <b>17,467,570</b> | <b>2,715</b>    | <b>13,562</b> | <b>40,805,375</b> | <b>3,009</b>    | <b>8,745</b> | <b>30,292,929</b> | <b>3,464</b>    |

as of June 3, 2019

as of June 3, 2019

as of Jan 4, 2019

Monthly Combined New and Renewal Totals As Of The Last Day Of Each Year (2019 As Of The Last Day Of The Appropriate Month)

| Month        | 2019 YTD      |                   |                 | 2018          |                   |                 | 2017          |                   |                 |
|--------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|---------------|-------------------|-----------------|
|              | Count         | Est Annl Premium  | Average Premium | Count         | Est Annl Premium  | Average Premium | Count         | Est Annl Premium  | Average Premium |
| January      | 2,247         | 6,273,958         | 2,792           | 2,053         | 6,629,814         | 3,229           | 1,998         | 8,534,586         | 4,272           |
| February     | 2,292         | 6,391,779         | 2,789           | 2,104         | 6,362,458         | 3,024           | 2,035         | 6,401,479         | 3,146           |
| March        | 2,620         | 6,981,552         | 2,665           | 2,600         | 7,843,010         | 3,017           | 2,566         | 7,395,620         | 2,882           |
| April        | 2,524         | 6,454,435         | 2,557           | 2,393         | 6,269,466         | 2,620           | 2,273         | 6,372,668         | 2,804           |
| May          | 2,496         | 6,319,384         | 2,532           | 2,453         | 6,450,752         | 2,630           | 2,273         | 6,808,845         | 2,996           |
| June         |               |                   |                 | 2,392         | 6,733,928         | 2,815           | 2,235         | 6,625,460         | 2,964           |
| July         |               |                   |                 | 2,130         | 7,943,736         | 3,729           | 2,062         | 6,705,862         | 3,252           |
| August       |               |                   |                 | 2,305         | 6,206,037         | 2,692           | 2,148         | 5,829,864         | 2,714           |
| September    |               |                   |                 | 1,990         | 6,089,045         | 3,060           | 2,068         | 6,674,063         | 3,227           |
| October      |               |                   |                 | 2,337         | 6,377,464         | 2,729           | 2,109         | 6,527,501         | 3,095           |
| November     |               |                   |                 | 1,864         | 5,325,583         | 2,857           | 1,771         | 4,857,053         | 2,743           |
| December     |               |                   |                 | 1,554         | 4,453,034         | 2,866           | 1,558         | 4,697,545         | 3,015           |
| <b>Total</b> | <b>12,179</b> | <b>32,421,108</b> | <b>2,662</b>    | <b>26,175</b> | <b>76,684,327</b> | <b>2,930</b>    | <b>25,096</b> | <b>77,430,546</b> | <b>3,085</b>    |

as of June 3, 2019

as of June 3, 2019

as of Jan 4, 2019

North Carolina Rate Bureau  
 Workers Compensation - Residual Market

Updated 11/7/2018

Miscellaneous Values

|   | <u>4/1/2019</u> | <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                  | 70,400          | 69,300          | 66,900          | 65,200          | 64,100          | 62,600                       |
| Code 7370 - Taxicab Co - Leased or Rented Vehicle                   | 46,900          | 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            | 0.01                         |
| - name changed to Catastrophe Other than Terrorism eff 9/1/08       |                 |                 |                 |                 |                 |                              |
| Expense Constant  | 160             | 160             | 160             | 160             | 250             | 250                          |
| Terrorism (Assigned Risk)   | 0.01            | 0.01            | 0.02            | 0.02            | 0.02            | 0.02                         |
| Corporate Officer Weekly Maximum                                    | 1,800           | 1,800           | 1,700           | 1,700           | 1,600           | 1,600                        |
| Corporate Officer Weekly Minimum                                    | 900             | 900             | 850             | 850             | 800             | 800                          |
| Per Passenger Seat Surcharge - Maximum Surcharge Per Aircraft       | n/a             | 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             | n/a             | 100                          |
| Individual Partners and Sole Proprietors                            | 46,900          | 46,200          | 44,600          | 43,500          | 42,700          | 41,800                       |
| USL&HW %  | 90%             | 92%             | 92%             | 92%             | 91%             | 92%                          |
| Experience Rating Eligibility (premium last year or last two years) | 11,000          | 10,000          | 10,000          | 10,000          | 8,000           | 8,000                        |
| Maximum Minimum Premium   | 1,500           | 1,500           | 1,500           | 1,500           | 1,500           | 1,250                        |
| Minimum Premium Multiplier  | 200             | 200             | 200             | 200             | 200             | 200                          |
|   | <u>1/1/2019</u> | <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> <sup>^</sup> |
| *Maximum Weekly Benefit - Fatal Injury                              | 1,028           | 992             | 978             | 944             | 920             | 904                          |
| *Maximum Weekly Benefit - Total Disability                          | 1,028           | 992             | 978             | 944             | 920             | 904                          |
| *Maximum Weekly Benefit - Permanent Partial Disability              | 1,028           | 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>)**

**<sup>^</sup> 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  
**Rate Change History**

**Updated 12/3/2018**

| <u>Industry Group</u>              | Effective<br><u>04/01/19</u> | Effective<br><u>04/01/18</u> | Effective<br><u>04/01/17</u> | Effective<br><u>04/01/16</u> | Effective<br><u>04/01/15</u> | Effective<br><u>04/01/14</u> |
|------------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| Manufacturing                      | -15.8%                       | -12.5%                       | -7.6%                        | 2.8%                         | -3.4%                        | 4.1%                         |
| Contracting                        | -16.5%                       | -11.4%                       | -5.4%                        | -0.1%                        | -3.9%                        | 1.8%                         |
| Office & Clerical                  | -19.3%                       | -12.8%                       | -13.6%                       | 1.2%                         | -6.1%                        | 2.9%                         |
| Goods & Services                   | -19.3%                       | -12.6%                       | -8.6%                        | 1.8%                         | -5.5%                        | 5.3%                         |
| <u>Miscellaneous</u>               | <u>-14.7%</u>                | <u>-13.2%</u>                | <u>-8.3%</u>                 | <u>3.8%</u>                  | <u>-3.6%</u>                 | <u>5.6%</u>                  |
| Industrial Classifications Overall | -17.2%                       | -12.5%                       | -8.3%                        | 1.9%                         | -4.5%                        | 4.2%                         |
| Federal Classifications            | -4.3%                        | -8.8%                        | 11.0%                        | 12.7%                        | -7.7%                        | -3.3%                        |

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

From 01/01/2019 to 5/31/2019 Updated 6/5/2019

|                        | <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 | 260               | 1,972,848               | 1,862,817              | 0.944             | 1,862,817           | 1.000              | 1,862,817                 |
| Risks with Debit MODS  | 76                | 851,467                 | 1,113,104              | 1.307             | 1,343,264           | 1.207              | 1,343,264                 |
| Risks with 1.00 mods   | 1                 | 7,930                   | 7,930                  | 1.000             | 7,930               | 1.000              | 7,930                     |
| Risks with NO Mods     | 11,864            | 29,447,315              | 29,447,315             | 1.000             | 29,447,315          | 1.000              | 29,447,315                |
| TOTALS                 | 12,201            | 32,279,559              | 32,431,166             | 1.005             | 32,661,326          | 1.007              | 32,661,326                |

From 01/01/2018 to 12/31/2018 Updated 6/5/2019

|                        | <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 | 556               | 4,719,987               | 4,428,874              | 0.938             | 4,428,874           | 1.000              | 4,428,874                 |
| Risks with Debit MODS  | 248               | 3,642,956               | 4,783,897              | 1.313             | 5,739,130           | 1.200              | 5,739,130                 |
| Risks with 1.00 mods   | 4                 | 20,487                  | 20,487                 | 1.000             | 20,487              | 1.000              | 20,487                    |
| Risks with NO Mods     | 25,404            | 66,767,287              | 66,767,287             | 1.000             | 66,767,287          | 1.000              | 66,767,287                |
| TOTALS                 | 26,212            | 75,150,717              | 76,000,545             | 1.011             | 76,955,778          | 1.013              | 76,955,778                |

North Carolina Rate Bureau  
 Workers Compensation - Residual Market

Updated 6/5/2019

Projected Operating Gain/(Loss)

|  | <u>Policy Year 2018</u> |               | <u>Policy Year 2017</u> |               | <u>Policy Years 2018 &amp; 2017</u> |               |
|--|-------------------------|---------------|-------------------------|---------------|-------------------------------------|---------------|
|  | <u>Dollars</u>          | <u>Factor</u> | <u>Dollars</u>          | <u>Factor</u> | <u>Dollars</u>                      | <u>Factor</u> |
| Est. Ultimate Pool Written Premium                           | 60,435                  |               | 56,168                  |               | 116,603                             |               |
| Estimated Ultimate Losses                                    | 42,728                  | 0.707         | 33,476                  | 0.596         | 76,204                              | 0.654         |
| Servicing Carrier Allowance                                  | 13,725                  | 0.227         | 10,683                  | 0.190         | 24,408                              | 0.209         |
| Other Expenses   | 4,533                   | 0.075         | 4,213                   | 0.075         | 8,746                               | 0.075         |
| Total Expenses   | 60,986                  | 0.990         | 48,372                  | 0.861         | 109,358                             | 0.938         |
| Estimated Operating Gain/(Loss)<br>Residual Market           | (551)                   |               | 7,796                   |               | 7,245                               |               |
| Calendar Year Assessment Base                                | 985,840                 |               | 985,840                 |               | 1,971,680                           |               |
| Estimated Operating Gain/Loss<br>to Cal Year Assessment Base | -0.1%                   |               | 0.8%                    |               | 0.4%                                |               |

source: NCCI Residual Market Results as of Fourth Quarter, 2018 Evaluation is as of December 31, 2018.

note: 000 omitted from dollar amounts.