

NORTH CAROLINA DEPARTMENT OF INSURANCE  
REFERENCE FILING ADOPTION FORM  
ADOPTION OF NORTH CAROLINA RATE BUREAU  
WORKERS COMPENSATION PROSPECTIVE LOSS COSTS

Insurer Name: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Title of Contact Person: \_\_\_\_\_

Telephone: \_\_\_\_\_

Insurer File No.: \_\_\_\_\_ NCDOI File No.: \_\_\_\_\_

NCRB Reference Filing No.: \_\_\_\_\_ Effective Date: \_\_\_\_\_

Insurer's Proposed Effective Date (If different from NCRB effective date): \_\_\_\_\_

Insurer's Approximate Market Share of North Carolina Written Premium: \_\_\_\_\_%

Loss Costs Multiplier (Attach Summary of Supporting Information Form): YES NO

To remain on file applicable to subsequent reference filings?

Applicable only to this referenced filing?

Supporting documentation is required for the use of a Loss Costs Modification Factor which differs from 1.000 applied to the prospective loss costs in the approved reference filing. [See NCGS 58-36-100(e)].

Loss-based assessments (currently not applicable) and loss adjustment expenses have been included in the Bureau's prospective loss costs. [See NCGS 58-36-100(c).]

See NCGS 58-36-100(j) for instructions on Bureau reference filings that have been filed with and approved by the Commissioner.

The insurer hereby declares that it is a member of the North Carolina Rate Bureau for this line of insurance. Further, the insurer certifies that the information contained in this questionnaire is true and correct and the filing complies with statutory requirements.

\_\_\_\_\_  
Signature of Company Officer/Filings Department Head

\_\_\_\_\_  
Date

NORTH CAROLINA DEPARTMENT OF INSURANCE  
SUMMARY OF SUPPORTING INFORMATION FORM  
CALCULATION OF COMPANY LOSS COSTS MULTIPLIER

1. Does this filing apply uniformly to all workers compensation classes? Yes  No   
(If no, identify exceptions and provide justification for variations.)

2. Loss Costs Modification:

A. The insurer hereby files to adopt the prospective loss costs in the North Carolina Rate Bureau reference filing (Check one):

- Without modification (factor = 1.000).
- With the following modification(s): \_\_\_\_\_

Cite the percent modification and attach supporting data and/or rationale.

B. Loss Costs Modification Factor: \_\_\_\_\_

Example (i): If your loss costs modification is -10%, the factor is .90 (1.00 - .10).

Example (ii): If your loss costs modification is +15%, the factor is 1.15 (1.00 + .15).

3. Selected Expenses: (Attach Expense Provisions Exhibit)

- A. Commission and Brokerage \_\_\_\_\_ %
- B. Other Acquisition \_\_\_\_\_ %
- C. General Expenses \_\_\_\_\_ %
- D. Taxes, Licenses, Fees & Loss Based Assessments \_\_\_\_\_ %
- E. Profit, Contingencies and Investment Income \_\_\_\_\_ %
- F. Other \_\_\_\_\_ %
- G. Total (A + B + C + D + E + F) \_\_\_\_\_ %

4. Development of Expected Loss & Loss Adjustment Expense (Target Cost) Ratio: \_\_\_\_\_  
Expressed in decimal form: 1.000 - 3G

5. Overall impact of expense constant & minimum premiums: \_\_\_\_\_  
Expressed in decimal form: i.e., 1.2% overall impact would be 101.2

6. Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating: \_\_\_\_\_  
Expressed in decimal form: i.e., 8.6% average discount would be 0.914.

7. Provision for premium taxes, licenses, fees and loss based assessments: \_\_\_\_\_  
See NCRB Reference Filing, Exhibit II.

8. Company Formula Loss Costs Multiplier: \_\_\_\_\_  
 $2B \times (1.000 - 7) / ((6 - 3G) \times 5)$

9. Company Selected Loss Costs Multiplier: \_\_\_\_\_  
Explain any differences between 8 and 9, other than rounding.

10. Rate Level Changes for the Coverages to which this page applies: \_\_\_\_\_ %

11. Are you amending:

- the minimum premium formula? Yes  No
- the expense constant(s)? Yes  No
- the premium discount schedules? Yes  No

If yes, attach documentation showing (i) premium level impact and (ii) current and proposed minimum premium formula, minimum premium multipliers, maximum minimum premiums, expense constants and/or premium discount schedules.

NORTH CAROLINA DEPARTMENT OF INSURANCE  
SUMMARY OF SUPPORTING INFORMATION FORM  
EXPENSE PROVISIONS EXHIBIT

INSURER'S ACTUAL EXPENSE RATIOS

	Third Most Recent Year	Second Most Recent Year	Most Recent Year	Average	Industry Average*	Selected**
A. Commissions and Brokerage	_____	_____	_____	_____	_____	_____
B. Other Acquisition	_____	_____	_____	_____	_____	_____
C. General Expenses	_____	_____	_____	_____	_____	_____
D. Taxes, Licenses, Fees & Loss Based Assessments	_____	_____	_____	_____	_____	_____
E. Profit, Contingencies and Investment Income***	_____	_____	_____	_____	_____	_____
F. Other**** _____	_____	_____	_____	_____	_____	_____
G. Total (A + B + C + D + E + F)	_____	_____	_____	_____	_____	_____

INSURER'S ACTUAL EXPENSE RATIOS are:

- North Carolina     
  Countrywide     
  Other (explain) \_\_\_\_\_  
 % of Standard Premium   
  % of Net Premium     
  Other (explain) \_\_\_\_\_

If the Selected provisions differ from the Average, for other than rounding, please explain (If applicable, describe any adjustment from a net premium to a standard premium basis):

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\*From the most recent edition of Best's Aggregates and Averages, Industry Underwriting - By Line, Direct Business Written, for workers compensation insurance.

\*\*Selected provisions expressed as a percentage of standard premium. Enter the "Selected" provisions in Section 3, Summary of Supporting Information Form.

\*\*\*Selected provision for Profit and Contingencies (before credit for investment income) is \_\_\_\_\_% and the credit for investment income is \_\_\_\_\_%. Attach appropriate documentation to explain how investment income, including dividends, savings or unabsorbed premium deposits allowed or returned to policyholders, is taken into account.

\*\*\*\*Describe any other expense provisions.