



July 29, 2021

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Expense Allowances - Effective October 2021
Monthly Summary Report Processing

Attached is an exhibit showing the new expense allowances which will be applicable in the processing of Monthly Summary Reports and Account Activity Statements beginning with the reports for October 2021, which begins a new fiscal year for the Facility. These expense allowances were determined in accordance with Article XII of the Plan of Operation and Chapter 9 of Section 4 of the Rules of Operation of the Facility.

This exhibit indicates for each company or company group which has ceded to the North Carolina Reinsurance Facility the new ceding expense allowance for other than designated agent business. The ceding expense allowance for such business for carriers not listed in the enclosed exhibit will be furnished by this Office upon request. The ceding expense allowance for designated agent business will be 34.0% of written premiums.

The claims expense allowance for all companies (excluding designated agent business) will be 12.1% of written premium. The claims expense allowance for designated agent business will be 15.1% of written premium plus 50% of outside legal expenses paid. Note that no loss adjustment expenses, allocated or unallocated, are to be included with losses reported to the Facility.

The information in this circular letter should be brought to the attention of your Company's personnel who are responsible for reconciling the monthly Account Activity Statements with the monthly premium and loss reports submitted to the North Carolina Reinsurance Facility.

Questions regarding this should be directed to Katie Lovelace at (919) 719-3041 or email at kml@ncrb.org.

Sincerely,

Terry F. Collins

Chief Operating Officer

North Carolina Reinsurance Facility

TFC:lad

Attachment

RF-21-11

**NORTH CAROLINA REINSURANCE FACILITY
EXPENSE ALLOWANCES - YEAR BEGINNING 10-01-21**

<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense</u>		<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense Allowance</u>
		<u>Allowance</u>				
09823	ACE AMERICAN INS CO	18.3%		05293	* METROPOLITAN P& C INS CO	25.9%
02696	AGENT ALLIANCE INS CO	a		11692	MIDVALE INDEMNITY CO	a
07372	ALLIED PROP & CAS INS CO	a		02543	MILBANK INS CO	a
07031	ALLSTATE INS CO	25.3%		07504	NATIONWIDE GENERAL INS CO	a
04886	AMERICAN MILLENNIUM INS CO	a		07612	NATIONWIDE INS CO OF AMERICA	a
08007	AMERICAN STATES INS CO	21.9%		06124	* NATIONWIDE MUT INS CO	a
05697	AMGUARD INS CO	a		06142	NGM INS CO	a
03514	AMICA MUT INS CO	26.4%		07524	* NC FARM BUREAU MUT INS CO	22.4%
09994	ATLANTIC CAS INS CO	a		10511	PEAK PROP & CAS INS CORP	a
07093	AUTO OWNERS INS CO	a		06098	* PENNSYLVANIA NATIONAL MUT CAS INS	a
03583	* CENTRAL MUT INS CO	a		27676	PERMANENT GENERAL ASSURANCE	a
27984	DISCOVERY INS CO	a		10545	* PROGRESSIVE PREMIER INS CO OF	a
05092	ELECTRIC INS CO	20.8%		10546	PROGRESSIVE UNIVERSAL INS CO	a
06119	* EMPLOYERS MUT CAS CO	a		07960	* SAFECO INS CO OF AMERICA	a
09073	ERIE INS CO	22.6%		07967	SELECTIVE INS CO OF THE SE	a
09836	ESURANCE INS CO	22.0%		06127	* SENTRY INSURANCE A MUT CO	22.8%
04729	FIREMENS INS CO OF WASH DC	a		07352	SOUTHERN GENERAL INS CO	a
07275	FOREMOST INS CO GR MI	a		07633	STATE AUTOMOBILE P & C INS CO	a
07159	GEICO INDEMNITY CO	26.4%		07667	STATE FARM MUT AUTO INS CO	25.8%
07301	GENERAL CAS CO OF WISCONSIN	a		11366	STONEWOOD INS CO	a
07307	* GOVERNMENT EMPLOYEES INS CO	16.7%		07838	THE CINCINNATI INS CO	a
27778	GREENVILLE CAS INS CO	a		11371	THE MEMBERS INS CO	a
09818	* HANOVER INS CO	a		02034	* THE TRAVELERS INDEMNITY CO	24.1%
01238	* HARTFORD CAS INS CO	24.1%		02513	TRIANGLE INS CO	a
07610	HORACE MANN INS CO	25.7%		05163	UNITRIN AUTO & HOME INS CO	a
11099	INCLINE CASUALTY CO	a		07202	UNITRIN SAFEGUARD INS CO	a
07144	INFINITY INS CO	a		05394	UNIVERSAL INS CO	a
07611	* INTEGON GENERAL INS CORP	a		03542	* USAA CAS INS CO	13.8%
11034	KEMPER INDEPENDENCE INS CO	a		05899	* UTICA MUT INS CO	a
09824	* LIBERTY MUT INS CO	17.3%				

NOTES: a: Allowance of 27.0% of written premiums.

*: Includes all companies in the NCRF group code.

The claims expense allowance for all companies (excluding designated agent business) is 12.1% of written premiums.

The ceding expense allowance for designated agent business is 34% of written premium.

The claims expense allowance for designated agent business is 15.1% of written premiums plus 50% of outside legal expenses paid.

For a ceding expense allowance of companies not listed above, refer to the NCRF.