

Proposed revision to Section 4, Chapter 7, Paragraph G on Page 4-7-12 of the NCRF Standard Practice Manual.

Matter in [brackets] deleted; matter underlined added.

G. Premium is Reported but No Original Notice of Cession was Received by the Facility

If such a situation occurs the ceding company may appeal, as provided under the Plan of Operation, Article XV--Hearings, Review, to cede the risk as of the premium report date. Such appeal must be submitted by the Chief Financial Officer of the company and must be documented as to the reasons why the company feels such late cession should be accepted as of the date of receipt of the premium report.

[For any risk accepted for cession under this Paragraph, full term premium must be reported to the Facility as if the risk were ceded from the policy effective date.]

To encourage timely and accurate reporting of data, the ceding company will be assessed a penalty for any risk accepted for cession under this Paragraph. The penalty will be equal to \$10.00 for each cession notice accepted under the appeal, subject to a minimum penalty of \$25,000.00 per appeal. If the total number of policies included in the appeal is not known at the time the appeal is allowed, the penalty will be estimated by the Facility and adjusted as appropriate as additional information becomes available regarding the actual number of policies.

The penalty will be billed to the company as soon as possible after a final ruling is made for acceptance of the risk under the appeal. Any additional billings or refunds for adjustments relating to the number of policies included will be issued periodically by the Facility. Balances due the Facility with respect to the initial billing or any subsequent billings under this rule will be subject to late payment fees as provided for in Chapter 8, Paragraph E of this Section.