



January 6, 2024

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: **Decimal Extension of Loss Cost & Expected Loss Rates**

Summary:

- **The North Carolina Rate Bureau (NCRB) will be expanding loss cost and expected loss rates (ELRs) to three decimal places effective April 1, 2026 in conjunction with the 2026 Loss Cost Filing.**
- **To accommodate the decimal extension of ELRs, NCRB will adopt the updated Workers Compensation Insurance Organization (WCIO) WCRATING standard record layout for experience rating files issued or distributed on or after July 1, 2025.**
- **If your company extracts the ELR field from the WCRATING file delivered via CDX or WCRating application, please be aware that you may need to adjust your systems to accommodate.**

The North Carolina Rate Bureau (NCRB) will be expanding loss cost and expected loss rates (ELRs) to three decimal places effective April 1, 2026 in conjunction with the 2025 Loss Cost Filing.

NCRB will accommodate the decimal extension of ELRs by adopting the Workers Compensation Insurance Organization (WCIO) WCRATING standard record layout for experience rating files issued or distributed on or after July 1, 2025.

If your company extracts the ELR field from the WCRATING file delivered via CDX, please be aware that you may need to adjust your systems to accommodate the following change:

Record Type 02- Expected Loss Rate (ELR) – Positions 189-185

- There is an assumed decimal point between positions 193 and 194 for experience rating modification files that are issued and distributed prior to July 1, 2025.
- There is an assumed decimal point between positions 192 and 193 for experience rating modification files that are issued and distributed as of July 1, 2025, and later.

Examples:

These are hypothetical examples to show how the ELR will be formatted in the WCRATING file.

1. The ELR for Classification Code 8046 is 1.04 effective April 1, 2025
 - Experience rating modification files that are issued and distributed with Classification Code 8046 prior to July 1, 2025, will include the ELR as 0000104.
 - Experience rating modification files that are issued and distributed with Classification Code 8046 on July 1, 2025 through March 31, 2026, will include the ELR as 0001040. The zero is a placeholder until April 1, 2026.

2. The ELR for Classification Code 8046 is 1.043, effective April 1, 2026

- Experience rating modification files that are issues and distributed with Classification Code 8046 with a rating effective date of April 1, 2026, or later will include the ELR as 0001043.

Note: All WCRATING files that are issued and distributed as of July 1, 2025, will include the ELR third-decimal place position. However, the experience modification factor and ARAP will continue to be maintained at two decimal places.

If you have any questions concerning this matter, please feel free to contact us at support@ncrb.org.

Sincerely,

Allison Smart

Director, Workers Compensation Operations

AS:ko
C-25-1