CONSTITUTION
NORTH CAROLINA RATE BUREAU

The North Carolina Rate Bureau, a rating bureau created in 1977 by the General Assembly of North Carolina and existing under the provisions of Article 36 of Chapter 58 of the General Statutes of North Carolina, does hereby adopt this revised Constitution ("Constitution"), to become effective on October 13, 2026, for its organization and operation in accordance with said statutory provisions.

ARTICLE I – NAME OF ORGANIZATION

The name of this organization shall be the North Carolina Rate Bureau, hereinafter referred to in this Constitution as the "Bureau."

ARTICLE II – OFFICES OF THE BUREAU

The principal office of the Bureau shall be located in Raleigh, North Carolina or at such other place in North Carolina as may be designated by the Governing Committee. Other offices may be established and maintained when and where required.

ARTICLE III – DEFINITIONS

The following words and terms as used in this Constitution shall have the meanings set forth below:

"Automobile Insurance" means liability insurance, automobile medical payments insurance, uninsured and underinsured motorists coverages, insurance against theft of or physical damage to private passenger non-fleet motor vehicles as defined in G.S. 58-40-10 (1) and (2), and other insurance coverages written in connection with the sale of such insurance. However, such insurance does not include: (1) coverages on travel or camper trailers designed to be pulled by private passenger motor vehicles, unless insured under policies covering nonfleet private passenger motor vehicles; (2) mechanical breakdown insurance covering nonfleet private passenger motor vehicles and other incidental coverages written in connection with mechanical breakdown insurance, including emergency road service assistance, trip interruption reimbursement, rental car reimbursement, and tire coverage; (3) insurance against theft of or physical damage to motorcycles, as defined in G.S. 20-4.01(27)h; (4) insurance against theft of or physical damage to mopeds, as defined in G.S. 20-4.01(27)j; (5) personal excess liability or personal umbrella insurance; or (6) insurance otherwise excluded from the Bureau's jurisdiction by G.S. 58-36-3.

"Property Insurance" means insurance against loss to residential real property with not more than four housing units located in North Carolina and any contents thereof and valuable interest therein and other insurance coverages written in connection with the sale of such property insurance. However, such insurance does not include coverages on: (1) farm buildings, farm dwellings and their appurtenant structures; (2) farm personal property or other coverages written in connection with farm real or personal property; (3) residential real and personal property insured in multiple line insurance policies covering business activities as the primary insurable interest; or (4) insurance otherwise excluded from the Bureau's jurisdiction by G.S. 58-36-3.

"Workers Compensation Insurance" means workers compensation insurance and employers' liability insurance written in connection therewith. However, such insurance does not include: (1) excess workers' compensation insurance for employers qualifying as self-insurers as provided in Article 47 of this Chapter or Article 5 of Chapter 97 of the General Statutes; or (2) insurance otherwise excluded from the Bureau's jurisdiction by G.S. 58-36-3.

"Commissioner" means the Commissioner of Insurance of the State of North Carolina.

"Member" means a member of the Bureau as provided in Article V of this Constitution.

ARTICLE IV – OBJECTS AND PURPOSES OF BUREAU

The objects and purposes of the Bureau are to perform the functions assigned to it by Article 36 of Chapter 58 of the General Statutes of North Carolina and any applicable law, including, but not limited to, the establishment, administration, development, maintenance, review, and filing, as applicable, of classifications, rules, rates, prospective loss costs, residual market rates, rating plans, rating systems, policy forms, policy provisions, statistical plans, supplementary rating information, and related data and information for Automobile Insurance, Property Insurance, and Workers Compensation Insurance.

The Bureau may collect and maintain records, data, and other information reasonably necessary to achieve its objects and purposes.

ARTICLE V – MEMBERSHIP OF BUREAU

Every insurance carrier so long as it is authorized to write Automobile Insurance, Property Insurance, or Workers Compensation Insurance in the State of North Carolina shall subscribe to and become a Member of the Bureau as required by the provisions of Article 36 of Chapter 58 of the General Statutes of North Carolina.

Each Member shall comply with this Constitution and all rules, regulations, policies, and other requirements adopted by the Governing Committee for the orderly maintenance and operation of the Bureau.

Membership records may be executed, accepted, and maintained electronically.

ARTICLE VI – SOURCES OF INCOME, BUDGET, ASSESSMENTS, AND FINANCIAL OVERSIGHT

The Bureau shall be maintained financially on the following basis:

Each Member shall pay membership fees, assessments, data-related charges, service charges, or other amounts established from time to time by the Governing Committee. The Governing Committee may establish different fees or assessments by line of insurance, program, service, or other reasonable category, provided the fees and assessments are equitable and not unfairly discriminatory.

The Governing Committee shall approve an annual budget to cover the expenses and reserves of the Bureau and may revise the budget as appropriate.

Assessments to cover such expenses may be levied quarterly in advance or at such other intervals as the Governing Committee determines appropriate. Assessments may be allocated among the Members: (1) pro rata according to the Members' relative proportions of total gross premiums for Automobile Insurance, Property Insurance, and Workers Compensation Insurance, respectively; (2) by specific lines of insurance, programs, or activities within Automobile Insurance, Property Insurance, and Workers Compensation Insurance coverages in an equitable manner determined by the Governing Committee; or (3) as determined by the Governing Committee.

The Governing Committee shall provide for appropriate financial controls, including budget approval, periodic financial reporting, annual review of reserves, authority levels for expenditures and disbursements, investment and banking controls, and independent external audit or review as the Governing Committee determines appropriate.

ARTICLE VII – GOVERNING COMMITTEE COMPOSITION

The Bureau shall be governed by a Governing Committee elected and constituted in accordance with Article 36 of Chapter 58 of the General Statutes of North Carolina. The Governing Committee shall consist of twelve voting Members, composed of equal representation by stock and nonstock Members, and shall include at least one Member domiciled in North Carolina. The Governing Committee shall also include two nonvoting public members who are not employed by or affiliated with any insurance company or the Department of Insurance and who are appointed by the Governor to serve at his pleasure.

Voting Members shall be elected at annual meetings for staggered three-year terms. No voting Member may serve more than two consecutive full three-year terms unless the Governing Committee determines that temporary continued service is necessary to constitute a Governing Committee that meets the composition requirements set out above and in Article 36 of Chapter 58 of the General Statutes of North Carolina.

Each Member serving on the Governing Committee shall designate an individual representative with appropriate authority and expertise. The Member may designate an alternate representative in accordance with Bureau policy. No proxy voting shall be permitted at Governing Committee meetings. Vacancies between annual meetings shall be filled via election by the remaining voting Members of the Governing Committee with a Member of the same class as the Member creating the vacancy, to serve for the unexpired term.

ARTICLE VIII – GOVERNING COMMITTEE, DUTIES, MEETINGS, AND ACTIONS

The Governing Committee has charge of the administration of the Bureau; supervision and direction over all committees of the Bureau; oversight responsibility for the Bureau's governance, finances, enterprise risk, records, data, technology, filings, and operations; and the following powers, duties, and obligations:

(1) To hire, evaluate, compensate, or remove a Chief Executive Officer;
(2) To select at its annual meeting a Chair and Vice Chair from the voting members of the Governing Committee, provided that such Chair shall not serve for more than two consecutive annual terms;

(3) To approve expenses, fees, penalties, budgets, reserves, and financial policies;
(4) To levy assessments on Members;
(5) To subscribe for, purchase, or contract for services, technology, professional advice, insurance, facilities, and resources necessary for the efficient and effective operation of the Bureau;
(6) To provide insurance related services for the North Carolina Reinsurance Facility or any other insurance entity;
(7) To provide for maintenance of reasonable records of or concerning the experience of its Members and the data, statistics, documents, and other information collected or used by the Bureau in carrying out the objects and purposes of the Bureau;
(8) To adopt, amend, and repeal rules, regulations, and policies necessary to carry out the objects and purposes of the Bureau;
(9) To provide reasonable means whereby any person affected by a rate or loss cost made by the Bureau, or said person's authorized representative, may be heard before the Governing Committee or other proper executive of the Bureau;
(10) To appoint standing committees and special committees, including task forces, which committees shall have the authority, duties, and functions as provided in Article IX of this Constitution and shall have power to authorize actions of the Bureau as delegated by the Governing Committee;
(11) To take any other action it deems necessary or appropriate for the efficient and effective operation of the Bureau consistent with the objects and purposes of the Bureau as set out in Article IV of this Constitution.

The Governing Committee shall hold meetings whenever necessary. Meetings may be called by the Chair of the Governing Committee, the Chief Executive Officer, or upon request of at least four Members of the Governing Committee. Notice of the date, time, and location and/or electronic access information and known agenda items shall be provided to each member of the Governing Committee in advance of the meeting. Meetings of the Governing Committee may be held in person or by teleconference, videoconference, secure portal, other technology approved by the Governing Committee for Bureau business, or a combination thereof thereby creating a hybrid format, as determined by the Chair, the Chief Executive Officer, or the Governing Committee. Eight Members shall constitute a quorum of the Governing Committee at any meeting. Affirmative action on the part of the Governing Committee at any meeting shall require a quorum and an affirmative vote of majority Members in attendance and voting.

The Chair of the Governing Committee, the Chief Executive Officer, or a designee of either of them, may submit any matter to the Governing Committee for action outside of a meeting by requesting a vote through mail, electronic mail, electronic voting platform, or other technology approved by the Governing Committee ("Mail or Electronic Vote"). Action by Mail or Electronic Vote shall require the affirmative vote of at least nine of the twelve voting Members of the Governing Committee. Any voting Member of the Governing Committee may request that the matter subject to Mail or Electronic Vote be deferred for consideration at a meeting of the Governing Committee, in which case the Mail or Electronic Vote shall be disregarded and the matter placed on the agenda for the next meeting of the Governing Committee.

In any meeting of the Governing Committee, and on any matter submitted to the Governing Committee for Mail or Electronic Vote, each voting Member of the Governing Committee shall be entitled to one vote. Voting by proxy shall not be permitted for any Governing Committee vote.

ARTICLE IX – COMMITTEES

The Bureau shall maintain standing committees for Automobile Insurance, Property Insurance, and Workers Compensation Insurance, and may maintain such other standing committees or special committees, including task forces, as the Governing Committee determines appropriate. Each committee shall operate under this Constitution, and any charter or delegation approved by the Governing Committee.

(a) Automobile Committee. The Automobile Committee shall be comprised of Members writing Automobile Insurance in North Carolina and with the approval or delegation of the Governing Committee shall have authority with respect to private passenger Automobile Insurance to review, develop, recommend, approve when delegated, and support filings or actions concerning classifications, rules, rates, rating plans, rating systems, statistical plans, policy forms, policy provisions, supplementary rating information, data collection, actuarial support, and related administration. The Automobile Committee shall report material actions, recommendations, filings, compliance matters, stakeholder issues, litigation-related matters, and other significant developments to the Governing Committee in a manner established by the Governing Committee.

(b) Property Committee. The Property Committee shall be comprised of Members writing Property Insurance in North Carolina and with approval or delegation of the Governing Committee shall have authority with respect to Property Insurance to review, develop, recommend, approve when delegated, and support filings or actions concerning classifications, rules, rates, rating plans, rating systems, statistical plans, policy forms, policy provisions, supplementary rating information, data collection, actuarial support, and related administration. The Property Committee shall report material actions, recommendations, filings, compliance matters, stakeholder issues, litigation-related matters, and other significant developments to the Governing Committee in a manner established by the Governing Committee.

(c) Workers Compensation Committee. The Workers Compensation Committee shall be comprised of Members writing Workers Compensation Insurance in North Carolina and with approval or delegation of the Governing Committee shall have authority with respect to Workers Compensation Insurance to: review, develop, recommend, approve when delegated, and support filings or actions concerning classifications, rules, rates, prospective loss costs, rating plans, rating systems, statistical plans, policy forms, policy provisions, supplementary rating information, data collection, actuarial support, and related administration; administer procedures pursuant to which risks which have been certified to be "difficult to place" by fire and casualty insurance agents licensed in North Carolina shall be assigned on an equitable basis to Members licensed to write Workers Compensation Insurance within the State; and administer a classification program to assure that individual risks are properly and equitably classified.
The Workers Compensation Committee shall report material actions, recommendations, filings, compliance matters, stakeholder issues, litigation-related matters, and other significant developments to the Governing Committee in a manner established by the Governing Committee.

Each standing committee shall elect or otherwise designate a Chair and may meet in person or by teleconference, videoconference, secure portal, other technology approved by the Governing Committee for Bureau business, or a combination thereof thereby creating a hybrid format. Notice of the date, time, and location and/or electronic access information and known agenda items shall be provided to each member of the committee in advance of the meeting in writing by mail,

electronic mail, or other electronic means approved by the Governing Committee. A majority of committee members shall constitute a quorum unless an applicable committee charter provides otherwise. Affirmative action by a committee at any meeting shall require a quorum and an affirmative vote of a majority of the committee members in attendance and voting.

The Chair of the Governing Committee, the Chair of a committee, the Chief Executive Officer, or a designee of any of them, may submit any matter to a committee for action outside of a meeting by requesting a vote through Mail or Electronic Vote. Action outside a meeting by Mail or Electronic Vote shall require the affirmative vote of at least a three-fourths (3/4) majority of the Members of the committee. Any Member of a committee may request that the matter subject to Mail or Electronic Vote be deferred for consideration at a meeting of the committee, in which case the Mail or Electronic Vote shall be disregarded and the matter placed on the agenda for the next meeting of the committee.

In any meeting of a committee, and on any matter submitted to a committee for Mail or Electronic Vote, each Member of the committee shall be entitled to one vote. Voting by proxy shall not be permitted for any committee vote.

ARTICLE X – CHIEF EXECUTIVE OFFICER

The Chief Executive Officer, under the supervision of the Governing Committee, shall have general control and supervision of all affairs of the Bureau and of all employees of the Bureau and shall:

(1) Be responsible for the property, funds, records, and operations of the Bureau; and for appropriate internal controls;
(2) Collect, receive, deposit, disburse, and account for Bureau funds;
(3) Serve as Secretary to the Bureau and the Governing Committee, or designate a qualified person to act in that capacity, and ensure that records of all proceedings of the Bureau and the Governing Committee are maintained;
(4) Upon direction of the Governing Committee, file with the Commissioner classifications, rules, rates, loss costs, rating plans, rating systems, policy forms, policy provisions, statistical plans, supplementary rating information, and related supporting materials;
(5) Hire, supervise, evaluate, and manage staff and personnel;
(6) Procure and maintain office space, technology, equipment, services, consultants, and professional resources necessary for the efficient and effective operation of the Bureau;
(7) Support regulatory relationships, stakeholder communications, statutory compliance, data governance, cybersecurity, business continuity, risk management, and internal controls; and
(8) Perform such other duties as may be assigned by the Governing Committee.

The Chief Executive Officer and such other persons as may be designated by the Governing Committee shall have the power to sign or approve checks, drafts, electronic funds transfers (EFTs), instruments, certifications, and other documents in the name and on behalf of the Bureau in the transaction of Bureau business, as authorized by the Governing Committee. The Chief Executive Officer and such other personnel as the Governing Committee may designate shall be bonded or insured in such a form and amount as the Governing Committee determines appropriate.

ARTICLE XI – MEETINGS OF THE BUREAU MEMBERSHIP

An annual meeting of the Bureau membership shall be held each year at a date and time designated by the Governing Committee.

Special meetings of the Bureau may be called at any time by the Chair of the Governing Committee or the Chief Executive Officer and shall be called upon request of a majority of the Governing Committee.

At least 10 days' notice of all annual meetings and all special meetings of the Bureau shall be given to each Member in writing by mail, electronic mail, or other electronic means approved by the Governing Committee. The notice shall state the date, time, and location and/or electronic access information for and the purpose of the meeting.

At all annual or special meetings of the Bureau membership, a majority of Members attending in person, by teleconference, videoconference, secure portal, other technology approved by the Governing Committee, or by valid proxy shall constitute a quorum. Each member shall be entitled to one vote. Action shall require a majority vote of Members attending and voting. Voting by proxy shall be permitted.

ARTICLE XII – MEMBER DATA, STATISTICS, AND RECORDS

Each Member shall, upon request, annually and at times and formats specified by the Bureau, promptly furnish or cause to be furnished to the Bureau, or to such other statistical organization, vendor, or other entity designated by the Bureau consistent with any applicable provisions of law, all data, statistical records, certifications, and information reasonably required for rates, loss costs, residual market rates, rating plans, rating systems, classifications, policy forms, policy provisions, statistical plans, regulatory filings, or other Bureau functions.

Members shall submit data in accordance with Bureau statistical plans, data standards, reporting instructions, quality standards, correction procedures, and certification requirements approved or adopted by the Bureau and, where required, the Commissioner.

ARTICLE XIII – GOVERNANCE

The Governing Committee may adopt and maintain governance policies, including policies addressing antitrust compliance, standards of conduct, conflicts of interest, confidentiality, and such other policies as the Governing Committee determines appropriate for the Bureau's objects and purposes. The Governing Committee may adopt and maintain procedures related to compliance with such governance policies.

ARTICLE XIV – INDEMNIFICATION, ADVANCEMENT, AND INSURANCE

To the fullest extent permitted by applicable law, the Bureau shall indemnify each Member, Member representative, public member of the Governing Committee, Bureau officer, Bureau employee, Bureau agent, or other person serving at the request of the Bureau against judgments, fines, penalties, settlements, and reasonable expenses, including attorneys' fees, actually and reasonably incurred in connection with any action, suit, proceeding, investigation, inquiry, or claim

arising out of service to or on behalf of the Bureau, provided the person or Member acted in good faith, acted in a manner the person or Member reasonably believed to be in or not opposed to the best interests of the Bureau, and had no reasonable cause to believe the conduct was unlawful or improper. In the absence of proof to the contrary, it shall be presumed that a person or Member acted in good faith, acted in a manner the person or Member reasonably believed to be in or not opposed to the best interests of the Bureau, and had no reasonable cause to believe the conduct was unlawful or improper.

The Bureau may advance reasonable expenses, including attorneys' fees, before final disposition of a matter, subject to such repayment obligation or conditions as the Governing Committee determines appropriate. The Bureau may assume the defense of any matter for which indemnification is sought and may select counsel, subject to conflict-of-interest safeguards. Any settlement for which indemnification is sought shall require approval by the Governing Committee.

The Bureau may purchase and maintain insurance, including directors' and officers' liability, employment practices liability, cyber liability, fiduciary, fidelity, crime, and other insurance or bonding for the protection of the Bureau and persons eligible for indemnification.

The rights provided in this Article are not exclusive of any other rights available under applicable law, contract, insurance, Bureau policy, or action of the Governing Committee. These rights continue after a person's service ends and inure to the benefit of successors, heirs, executors, administrators, and permitted assigns.

If the Bureau is terminated, dissolved, merged, or reorganized, the Governing Committee shall provide for the continuation or administration of the above referenced indemnification rights and obligations, to the extent possible, including through insurance, reserve, successor arrangement, or other mechanism approved by the Governing Committee.

The cost and expense of fulfilling the obligations of the Bureau under this Article XIV, to the extent not covered by insurance, shall be apportioned among all Members, including any Members named in any such action, suit or proceedings, pursuant to Article VI of this Constitution.

ARTICLE XV – APPEAL FROM BUREAU DECISIONS

Any Member of the Bureau may appeal to the Commissioner from any decision of the Bureau in accordance with the provisions of G.S. 58-36-35 of the General Statutes of North Carolina.

ARTICLE XVI – RESIGNATIONS

A Member of the Bureau may resign upon thirty days' written notice to the Bureau of its lawful termination of membership but shall, nevertheless, be liable to the Bureau for its proportion of all assessments made during the period of three months following the effective date of its resignation. Final adjustment of the resigning Member's obligations will be made, in accordance with the provisions of Article VI of this Constitution, after January 1st following the effective date of resignation.

ARTICLE XVII – AMENDMENTS

This Constitution may be amended at any meeting of the membership of the Bureau by a three-fourths (3/4) vote of all Members present and voting, but no amendment shall be acted upon unless twenty (20) days' written notice of such meeting with a copy of the proposed amendment has been given to the Members.

ARTICLE XVIII – ACCEPTANCE OF MEMBERSHIP

Each insurance carrier, before becoming a Member of the Bureau, shall, through a duly authorized official, subscribe to a copy of this Constitution and file the same with the Bureau, and by such act each Member shall be considered to have declared its full, absolute, and complete acceptance of this Constitution and its intention to fully comply with all of the requirements of this Constitution and with the rules and regulations which may be adopted by the Bureau.

Revised October 13, 2026