

NORTH CAROLINA RATE BUREAU

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March 15, 2000

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: North Carolina Department of Insurance
Accounting Instructions - Refund/Release of Escrow

With regard to the settlement of the 1994 private passenger auto insurance rate filing case announced by our Circular Letter to All Member Companies A-00-3 dated March 15, 2000, Item 11 of the Procedures on Refund of Premium memorandum (Exhibit 1) attached to the Settlement Agreement and Consent Order provides as follows:

11. The Department's instructions regarding the accounting treatment to be afforded escrow funds, refunded premium and related interest expense shall be forwarded by the Bureau to all member companies.

Enclosed is a memorandum entitled Instructions for Refund/Release of Escrow prepared by the Department of Insurance which is being forwarded to all member companies as requested by the Department.

Any questions concerning these Instructions should be directed to Ms. Lisa Snyder, Senior Financial Analyst, North Carolina Department of Insurance, PO Box 26387, Raleigh, North Carolina 27611. She may be reached by telephone at (919) 733-5633 Ext. 230 or by e-mail at lsnyder@ncdoi.net.

Very truly yours,

John W. Watkins

General Manager

JWW:lm

Enclosure

A-00-4

