NORTH CAROLINA
Rate Bureau

September 22, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: NCRB Proposed Constitution Revisions

Summary:

- Recommended updates to the NCRB Constitution
- Changes to be presented for a vote of full membership at the NCRB Annual Meeting on October 13, 2026.

As previously noted in Circular G-26-4, dated August 3, 2026, the Forty-Ninth Annual Meeting of the North Carolina Rate Bureau will convene at 2:00 p.m. on Tuesday, October 13, 2026, at the Westin Raleigh-Durham, 3931 Macaw Street, Raleigh, NC. The agenda will include consideration of recommended updates to the North Carolina Rate Bureau Constitution. Substantial work has been undertaken this year to revise the Constitution, to modernize the document while preserving the Bureau's statutory purpose, member structure, and core governance framework.

Attached for your review are two versions of the proposed revisions to the Constitution: a tracked-changes version showing the revisions and a clean version incorporating them. The Governing Committee has reviewed the proposed revisions and supports presentation of the document for a vote of the full membership.

The proposed revisions are being distributed to all member companies and will be included with the agenda materials for the Annual Meeting.

If you have any questions, please contact us at info@ncrb.org.

Thank you.

Jarred Chappell
Chief Operating Officer
NORTH CAROLINA
Rate Bureau
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JC:ko
G-26-5

NORTH CAROLINA
Rate Bureau

To: Members of the Rate Bureau
From: Joanna Biliouris, General Manager
Date: September 21, 2026
Subject: Proposed Revisions to the North Carolina Rate Bureau Constitution

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Background

The attached summary provides an overview of the proposed revisions to the North Carolina Rate Bureau Constitution. The current Constitution has served the Bureau well for many years; however, many provisions reflect governance and operational practices that predate significant developments in technology and modern governance standards. The proposed revisions are intended to modernize the Constitution while preserving the Bureau's statutory purpose, member structure, and core governance framework.

Attached are three exhibits – (1) the current Rate Bureau Constitution last revised in December 2001, (2) a redlined version on the proposed Constitution, (3) a clean copy of the proposed Constitution with all revisions included.

Summary of Proposed Revisions

The accompanying chart summarizes the proposed revisions article by article and highlights the principal changes contained in each section. Several articles involve only limited modernization, while others introduce new concepts in the Bureau's operations.

Counsel's review ensured that the revised Constitution remains fully consistent with Article 36 of Chapter 58 of the North Carolina General Statutes and other applicable legal requirements while accomplishing the desired modernization objectives.

Rate Bureau Membership Discussion

At the upcoming Annual Meeting, we will review the proposed revisions at a high level and seek approval from the Rate Bureau membership to adopt the new Constitution.

Thank you for your review and consideration of these proposed revisions. They are intended to position the Bureau for continued effective governance and administration while fulfilling its statutory mission and responsibilities.

Summary of Proposed Revisions for Governing Committee Review

Article	Section	Summary of Proposed Revisions
I	Name of Organization	No change.
II	Offices of the Bureau	No change.
III	Definitions	Revised to reflect current statutory definitions including exclusions outside of the Bureau's responsibility.
IV	Objects and Purposes	Revised to clearly describe the Bureau's responsibilities related to classifications, rules, rates, loss costs, rating plans, rating systems, policy forms, statistical plans, and related data necessary to fulfill its statutory functions. The revisions also expressly authorize the collection and maintenance of records and data necessary to support those activities.
V	Membership	Clearly describes membership obligations and permits electronic membership records, subscriptions, and signatures.
VI	Sources of Income; Budget, Assessments and Financial Oversight	These changes provide greater flexibility and outline the Bureau's financial management practices.
VII	Organization; Governing Committee Composition	Retains statutory member structure while modernizing language (i.e. staggered three-year terms).
VIII	Governing Committee Duties, Meetings, and Actions	These provisions provide operational flexibility while maintaining quorum and voting requirements. Modernizes language regarding meeting procedures, authorizes virtual and hybrid meetings, and outlines electronic voting protocols. Introduces new title for the General Manager to better align with organizational structure. Removes requirement for reimbursement of expenses for meeting participation.

Article	Section	Summary of Proposed Revisions
IX	Committees	Modernizes the responsibilities of the Automobile, Property, and Workers Compensation Committees. Outlines committee reporting requirements, quorum standards, virtual meetings, electronic voting, and delegated authority. Removes reference to the Legal Committee.
X	Chief Executive Officer	Replaces the title General Manager with Chief Executive Officer and outlines current responsibilities to include data governance, cybersecurity, enterprise risk management, continuity planning, stakeholder communication, and modern operational responsibilities.
XI	Meetings of the Membership	Updates the membership meeting provisions regarding virtual and hybrid participation, electronic notices, and modern communication methods while preserving member voting rights and quorum requirements.
XII	Member Data, Statistics, and Records	Outlines member data reporting requirements and a data governance framework addressing data submission, statistical reporting, certifications, and related information required for Bureau operations, filings, and ratemaking functions.
XIII	Governance *(new article)*	New article to outline a governance framework while providing flexibility to address emerging risks and regulatory expectations.
XIV	Indemnification, Advancement, and Insurance	Updates and broadens indemnification protections for Governing Committee members, employees, committees, agents, and others serving the Bureau.
XV	Appeal from Bureau Decisions	No change.
XVI	Resignations	No change.
XVII	Amendments	No change.
XVIII	Acceptance of Membership	No substantive changes.

CONSTITUTION
NORTH CAROLINA RATE BUREAU

The North Carolina Rate Bureau, a rating bureau created by the General Assembly of North Carolina under the provisions of Article 36 of Chapter 58 of the General Statutes of North Carolina, enacted as Chapter 828 of the 1977 Session Laws of the General Assembly of North Carolina, to become effective September 1, 1977, does hereby adopt and establish this Constitution 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 meaning set forth below:

(a) "Automobile Insurance" shall mean liability insurance, automobile medical payments insurance, uninsured and underinsured motorists coverages, theft, 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 conjunction with the sale of such insurance.

(b) "Property Insurance" shall mean 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 shall not include coverages on farm buildings, farm dwellings and their appurtenant structures, farm personal property or other coverages written in connection with farm real or personal property.

(c) "Workers Compensation Insurance" shall mean workers compensation insurance and employers' liability insurance written in connection therewith.

(d) "Commissioner" shall mean the Commissioner of Insurance of the State of North Carolina.

(e) "Member" shall mean 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 shall be the establishment and administration of classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions for Automobile Insurance, Property Insurance and Workers Compensation Insurance pursuant to Article 36 of Chapter 58 of the General Statutes of North Carolina.

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.

ARTICLE VI — SOURCES OF INCOME

The Bureau shall be maintained financially on the following basis:

(a) Each Member shall pay an annual membership fee for each category of insurance for which it is licensed to write in North Carolina in the amounts of $500 for Automobile Insurance, $500 for Property Insurance and $250 for Workers Compensation Insurance, payable on January 1st of each year; provided that each Member shall pay an initial membership fee of $50.00 on September 1, 1977. The membership fees shall constitute a minimum assessment and shall not be subject to proration in the case of Members withdrawing or joining the Bureau during the year.

(b) The Governing Committee shall on September 1, 1977, or as soon thereafter as reasonably possible, estimate the expenses of the Bureau for the period beginning September 1, 1977, through December 31, 1977, and thereafter shall annually as of the 1st day of January of each year estimate the expenses of the Bureau for that year. Such estimated expenses, after deducting the amount of annual membership fees for such year, shall be allocated among Automobile Insurance, Property Insurance and Workers Compensation Insurance and by line of insurance within each such category in an equitable manner as determined by the Governing Committee. Assessments to cover such expenses shall be levied upon Members writing each such line of insurance within the categories Automobile Insurance, Property Insurance and Workers Compensation Insurance pro rata according to their respective proportions of the total gross premium, as defined by the Governing Committee derived from each such line of insurance in North Carolina during the preceding year. Assessments shall be levied quarterly in advance, provided that the initial assessment shall be levied on September 1, 1977, or as soon thereafter as reasonably possible. Annually, as of January 1st, or as soon as possible after that date, the assessments paid by each Member during that year shall be adjusted according to the completed figures for such year.

ARTICLE VII — ORGANIZATION

At the meeting of the membership of the Bureau at which this Constitution is adopted, there shall be elected a Governing Committee of twelve Members, which shall be composed of six non-stock Members and six stock Members. At least one Member of the Governing Committee shall be a company domiciled in North Carolina. The initial Governing Committee shall be elected to serve terms as follows:

(a) Two non-stock and two stock Members to serve for a term of one year.
(b) Two non-stock and two stock Members to serve for two years.
(c) Two non-stock and two stock Members to serve for three years.

At each subsequent annual meeting of the Bureau, the scheduled vacancies occurring in the Governing Committee shall be filled by the election of two non-stock and two stock Members to serve for terms of three years. No Member shall be eligible to serve consecutively more than two (2) three-year terms as a Member of the Governing Committee. Service as a Member of the initial Governing Committee for terms of one or two years shall be disregarded for the purpose of determining eligibility for service thereafter. Vacancies in the interim between annual meetings shall be filled by a Member of the same class as the Member creating the vacancy by election of the remaining Members of the Governing Committee, such elected Member to serve for the unexpired term of the Member creating the vacancy.

The Governing Committee of the Bureau shall also have as nonvoting Members two persons 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.

ARTICLE VIII — GOVERNING COMMITTEE

(a) The Governing Committee shall have charge of administration of the Bureau, shall have supervision and direction over all Committees of the Bureau and shall have the following powers, duties and obligations:

(1) To appoint or remove a General Manager;

(2) To select at its annual meeting a Chairman and Vice Chairman from the members of the Governing Committee, provided that such Chairman shall not serve for more than two consecutive annual terms;

(3) To levy assessments on Members;

(4) To subscribe for or purchase any service necessary for the efficient and effective operation of the Bureau;

(5) To provide insurance related services for the North Carolina Reinsurance Facility or any other insurance entity;

(6) To provide for the maintenance of reasonable records of the type and kind reasonably adapted to its method of operation, of the experience of its Members and of the data, statistics or information collected or used by the Bureau in carrying out the objects and purposes of the Bureau;

(7) To adopt such rules and regulations as shall be necessary to carry out the objects and purposes of the Bureau;

(8) To provide reasonable means whereby any person affected by a rate made by the Bureau may be heard in person or by his authorized representative before the Governing Committee or other proper executive of the Bureau;

(9) To provide for a system of reimbursement of expenses of members of any duly constituted committee or sub-committee of the Bureau for company personnel participation at meetings of any such committee or sub-committee;

(10) To appoint a Workers Compensation Committee, a Property Committee, an Automobile Committee and a Legal Committee, which Committees shall have the authority, duties and functions as provided in Article IX of this Constitution and shall have independent power to authorize actions of the Bureau as delegated by the Governing Committee;

(11) To appoint such other committees as it may deem necessary;

(12) 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.

(b) The Governing Committee shall hold meetings whenever necessary in Raleigh, North Carolina, or at such other place as may be agreed upon. Such meetings may be called by the Chairman of the Governing Committee or by the General Manager, and shall be called upon the written request of at least four Members of the Governing Committee. Due notice of the time and place of all meetings shall be given to each Member of the Governing Committee. Eight Members shall constitute a quorum of the Governing Committee at any meeting and affirmative action on the part of the Governing Committee at any meeting shall require a majority vote of all Members present and voting.

The Chairman of the Governing Committee or the General Manager shall have authority to submit any matter to the Governing Committee for action by a mail or wire vote. Action by mail or wire vote shall require a majority vote of nine of the twelve members of the Governing Committee. Any Member of the Governing Committee may, in lieu of a vote, request that the matter submitted for action by a mail or wire vote be considered at a meeting of the Governing Committee, in which event the mail or wire 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 wire vote, each Member of the Governing Committee shall be entitled to one vote. Voting by proxy shall not be permitted.

ARTICLE IX — COMMITTEES

(a) Automobile Committee. Subject to applicable provisions of law and this Constitution and with respect to Automobile Insurance only, the Automobile Committee, which shall be comprised of Members writing Automobile Insurance in this State, shall with the approval of the Governing Committee, have authority over all matters pertaining to:

(1) The making and the filing with the Commissioner of classifications, rules, rates, rating plans, policy forms and policy provisions;

(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;

(3) The collection, compilation, and analysis of such statistical and other data relating to Automobile Insurance as are deemed necessary or desirable;

(4) The administration of such rating systems as may become effective pursuant to law;

(5) The furnishing upon request of pertinent information relating to classifications, rules, rates, rating plans, policy forms and policy provisions to Members affected thereby;

(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, rating plans, policy forms and policy provisions;

(7) The taking of any other action deemed necessary or appropriate for the efficient and effective administration and regulation of Automobile Insurance by the Bureau.

(b) Property Committee. Subject to applicable provisions of law and this Constitution and with respect to Property Insurance only, the Property Committee, which shall be comprised of Members writing Property Insurance in this State, shall with the approval of the Governing Committee, have authority over all matters pertaining to:

(1) The making and the filing with the Commissioner of classifications, rules, rates, rating plans, policy forms and policy provisions;

(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;

(3) The collection, compilation and analysis of such statistical and other data relating to Property Insurance as are deemed necessary or desirable;

(4) The administration of such rating systems as may become effective pursuant to law;

(5) The furnishing upon request of pertinent information relating to classifications, rules, rates, rating plans, policy forms and policy provisions to Members affected thereby;

(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, rating plans, policy forms and policy provisions;

(7) The taking of any other action deemed necessary or appropriate for the efficient and effective administration and regulation of Property Insurance by the Bureau.

(c) Workers Compensation Committee. Subject to applicable provisions of law and this Constitution and with respect to Workers Compensation Insurance only, the Workers Compensation Committee, which shall be comprised of Members writing Workers Compensation Insurance in this State, shall with the approval of the Governing Committee, have authority over all matters pertaining to:

(1) The making and the filing with the Commissioner of classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions;

(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;

(3) The collection, compilation and analysis of such statistical and other data relating to Workers Compensation Insurance as are deemed necessary or desirable;

(4) The administration of such rating systems as may become effective pursuant to law;

(5) The furnishing upon request of pertinent information relating to classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions to insureds or Members affected thereby;

(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions;

(7) The establishment of rules and 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;

(8) The administration of a classification inspection program to assure that individual risks are properly and equitably classified;

(9) The taking of any other action deemed necessary or appropriate for the efficient and effective administration and regulation of Workers Compensation Insurance by the Bureau.

(d) Legal Committee. The Governing Committee may consult the Legal Committee on any matters involving the Bureau or its actions. The Governing Committee or the General Manager shall advise the Legal Committee of any action by the Commissioner to disapprove rates, loss costs, classifications, rules or forms filed by the Bureau, of any formal complaint of a Member, of any proposed changes in the Constitution, rules or regulations of the Bureau, of any known action or threatened action which may be subject to the indemnification article of this Constitution, and of any known proposed action, order, regulation or legislation which may affect the Bureau to the end that the Bureau will operate in compliance with the law and will be advised in its legal rights and obligations.

(e) Committee Organization. The Automobile Committee, the Property Committee, the Workers Compensation Committee, and the Legal Committee shall each elect a Chairman and shall hold meetings whenever necessary in Raleigh, North Carolina or at such other place as may be agreed upon. Such meetings may be called by the Chairman of the Governing Committee, by the Chairmen of the respective Committees or by the General Manager, and shall be called upon the written request of at least three Members of the Committee. Due notice of the time and place of any such meetings shall be given to each Member of the Committee. A majority of the Members of any such Committee shall constitute a quorum and action shall require a majority vote of all members of the Committee present and voting. Voting by proxy shall not be permitted.

The Chairman of the Governing Committee, the Chairman of each such Committee or the General Manager shall have authority to submit any matter to the Committee for action by a mail or wire vote. Action by mail or wire vote shall require a three-fourths (3/4) majority of the Members of the Committee. Any Member of the Committee, may in lieu of a vote, request that the matter submitted for action by a mail or wire vote be considered at a meeting of such Committee, in which event the mail or wire vote shall be disregarded and the matter placed on the agenda for the next meeting of such Committee.

ARTICLE X GENERAL MANAGER

The General Manager, 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:

(a) Be responsible for all property of the Bureau; collect all fees, dues, assessments and other monies payable to the Bureau and deposit the same in such bank or banks as designated by the Governing Committee to the credit of the Bureau; disburse funds of the Bureau only in the payment of necessary expenses of the Bureau; and account to the Governing Committee for all property, funds and disbursements;

(b) Act in the capacity of Secretary to the Bureau and the Governing Committee and keep a record of all proceedings of the Bureau and the Governing Committee;

(c) Upon direction of the Governing Committee, Automobile Committee, Property Committee, or Workers Compensation Committee file with the Commissioner on behalf of the Bureau classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions;

(d) With the approval of the Governing Committee, hire and supervise the staff and personnel and procure and maintain the office space and office equipment necessary to the effective and efficient operation of the Bureau;

(e) Perform such other duties as may be required by the Governing Committee.

The General Manager and such other persons as may be designated by the Governing Committee shall have the power to sign and endorse in the name and on behalf of the Bureau in the transaction of its business, but not otherwise, checks, drafts, notes and bills of exchange, subject to such limitations and counter-signature as the Governing Committee may determine. The General Manager and such other personnel as the Governing Committee may designate shall, at the expense of the Bureau, give a bond in such form and amount as the Governing Committee may prescribe.

ARTICLE XI — MEETINGS OF THE BUREAU

The meeting at which this Constitution is adopted shall constitute the annual meeting of the Bureau for the year in which it is adopted. Thereafter, an annual meeting of the Bureau shall be held each year during the month of October or November of such year as designated by the Governing Committee. The annual meetings shall be held in Raleigh, North Carolina or at such other place in North Carolina as may be designated by the Governing Committee.

Special meetings of the Bureau may be called at any time by the Chairman of the Governing Committee or the General Manager, and shall be called upon request of a majority of the Governing Committee.

At least 10 days' written notice of all annual meetings and all special meetings of the Bureau shall be given to each Member, which notice shall state the time and place of such meeting and the purpose for such meeting.

At all annual or special meetings of the Bureau a majority of the Members present in person or by proxy shall constitute a quorum, and any action shall require a majority vote of all Members present and voting. Voting by proxy shall be permitted. At any meeting of the Bureau each Member shall be entitled to one vote.

ARTICLE XII — FURNISHING OF STATISTICS

Each Member shall, on request, annually and at other reasonable times, promptly furnish or cause to be furnished to the Bureau, or to such other agency or agencies as the Bureau may designate, any and all statistics of such Member arising out of or reasonably related to the making of rates or loss costs for Automobile Insurance, Property Insurance or Workers Compensation Insurance in North Carolina.

ARTICLE XIII — INDEMNIFICATION

(a) Each person or Member who shall serve on a Committee of the Bureau, or as an officer or employee of the Bureau, or any predecessor organization, whether or not he, she or it is then acting in such position or capacity, shall be indemnified by the Bureau against judgments, fines, amounts paid in settlements and reasonable expenses, including attorneys' fees, actually and necessarily incurred by or imposed upon him, her or it in connection with or arising out of any action, suit or proceeding to which he, she or it may be made a party by reason of his, hers or its having served on such committee, or as an officer or employee of the Bureau, provided he, she or it acted in good faith for a purpose he, she or it reasonably believed to be in the best interests of the Bureau and in connection with which he, she or it had no reasonable cause to believe that his, hers or its conduct was unlawful or improper. Such indemnification shall not be exclusive of other rights such person or Member may have and shall pass to the successors, heirs, executors or administrators of such person or Member. In the absence of proof to the contrary, it shall be presumed that a person or Member who shall serve on a committee of the Bureau or as an officer or employee of the Bureau shall have acted in good faith. In the event indemnification is sought, in whole or in part, with reference to amounts paid in settlements where there has been no judicial determination, such right to indemnification will require the prior approval of any such settlement by the Governing Committee.

Any person or Member or officer or employee of the Bureau, which shall seek indemnification under the provisions of this Article XIII, shall promptly notify the Bureau, in writing, of any action, suit or proceeding or any threat thereof. The Bureau shall have the right to, and may, at its own cost, defend or otherwise dispose of any such pending or threatened action, suit or proceeding and shall promptly advise the person or Member seeking indemnification whether the Bureau elects to defend or otherwise dispose of such matter itself. The cost and expense of fulfilling the obligations of the Bureau under this Article XIII shall be apportioned among all Members, including any Members named in any such action, suit or proceedings, pursuant to Article VI of this Constitution.

(b) In the event the existence of the Bureau is terminated and a person, ex-Member or successor thereafter desires to assert or continue a claim for indemnification, the rights of such person, ex-Member or successor shall be the same as set forth in section (a), except as provided below. As used in this section (b) the term "Indemnification Committee" refers to those disinterested ex-Members which comprised the Governing Committee of the Bureau immediately prior to the termination of its existence. Provided, however, that if there are less than three disinterested ex-Members which comprised the Governing Committee at such time, the Senior Resident Superior Court Judge of Wake County shall appoint to the Indemnification Committee a sufficient number of persons (which shall if possible be ex-Members of the Bureau) so that there shall be three Members of the Indemnification Committee.

(1) All notices required to be given to, all approvals required to be obtained from, and all rights and powers which would have been vested in the Governing Committee under section (a) of this Article XIII had the existence of the Bureau not been terminated shall instead be given to, obtained from and vested in the Indemnification Committee.

(2) In order to apportion the indemnification payments herein required the Indemnification Committee shall first apportion the total indemnification amount (which shall include a charge for the expenses reasonably incurred by the members of the Indemnification Committee) among Automobile Insurance, Property Insurance, and Workers Compensation Insurance and by line of insurance within each such category in such equitable manner as it shall determine. The indemnification amount allocated to each line shall be apportioned among all insurers (including, if applicable, the ex-Member or successor seeking indemnification) who were Members of the Bureau at any time during the calendar year in which the existence of the Bureau terminated. Such apportionment shall be made pro rata according to each ex-Member's respective proportions of the total gross premium, as defined by the Indemnification Committee, derived from each such line of insurance in North Carolina during the calendar year preceding the calendar year in which the existence of the Bureau was terminated.

(3) The Indemnification Committee shall furnish or cause to be furnished to each indemnifying insurer a statement setting forth its share, as thus determined, of the total indemnification amount. Each indemnifying insurer shall promptly pay its share of the total indemnification amount in such manner as may be directed by the Indemnification Committee.

ARTICLE XIV — 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 XV — 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 XVI AMENDMENTS

This Constitution may be amended at any meeting of the membership of the Bureau by a three-fourths 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 XVII 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 from time to time lawfully be adopted by the Bureau.

Revised December 3, 2001

ACCEPTANCE OF NORTH CAROLINA RATE BUREAU CONSTITUTION

The ____
(Company) (Federal I.D. #)

hereby subscribes to and accepts the provisions of the Constitution of the North Carolina Rate Bureau.

____
(Signature)

____
(Title)

____
(Date)

To the North Carolina Rate Bureau:

This Company is licensed in North Carolina to write the following coverages as defined in Article III of the Constitution of the North Carolina Rate Bureau (please check all applicable boxes):

[ ] Property Insurance
[ ] Workers Compensation
[ ] Automobile Insurance
- **[ ] Liability**
- **[ ] Physical damage or theft**

This company joins as (check one):

[ ] Member of Property Casualty Insurers Association of American (PCI)
[ ] Member of American Insurance Association
[ ] Non-affiliated stock insurer
[ ] Non-affiliated non-stock insurer

Legal Form of Ownership:
[ ] Mutual
[ ] Stock
[ ] Reciprocal

NAIC Information:

NAIC Company Code ____________________ NAIC Group Code ___________________

NAIC Group Name ____

Group Mailing Address ____

____

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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, ~~enacted as Chapter 828 of the l977 Session Laws of the General Assembly of North Carolina, to become effective September l, l977,~~ does hereby adopt ~~and establish~~ this revised Constitution (“Constitution”), to become effective on __[insert date]__, 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 ~~meaning~~meanings set forth below:

~~(a)~~ "Automobile Insurance" ~~shall mean~~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 ~~conjunction with the sale of such insurance~~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.

~~(b)~~ "Property Insurance" ~~shall mean~~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 ~~shall~~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.

~~(c)~~ "Workers Compensation Insurance" ~~shall mean~~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.

~~(d)~~ "Commissioner" ~~shall mean~~means the Commissioner of Insurance of the State of North Carolina.

~~(e)~~ "Member" ~~shall mean~~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 ~~shall be~~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 ~~and~~, administration, development, maintenance, review, and filing, as applicable, of classifications, rules, rates, prospective loss costs, residual market rates, rating plans, rating systems, policy forms ~~and~~, policy provisions, statistical plans, supplementary rating information, and related data and information for Automobile Insurance, Property Insurance, and Workers Compensation Insurance ~~pursuant to Article 36 of Chapter 58 of the General Statutes of North Carolina~~.

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:

~~(a) Each Member shall pay an annual membership fee for each category of insurance for which it is licensed to write in North Carolina in the amounts of $500 for Automobile Insurance,~~

~~$500 for Property Insurance and $250 for Workers Compensation Insurance, payable on January lst of each year; provided that each Member shall pay an initial membership fee of $50.00 on September l, l977. The membership fees shall constitute a minimum assessment and shall not be subject to proration in the case of Members withdrawing or joining the Bureau during the year.~~

~~(b) The Governing Committee shall on September l, l977, or as soon thereafter as reasonably possible, estimate the expenses of the Bureau for the period beginning September l, l977, through December 3l, l977, and thereafter shall annually as of the lst day of January of each year estimate the expenses of the Bureau for that year. Such estimated expenses, after deducting the amount of annual membership fees for such year, shall be allocated among Automobile Insurance, Property Insurance and Workers Compensation Insurance and by line of insurance within each such category in an equitable manner as determined by the Governing Committee. Assessments to cover such expenses shall be levied upon Members writing each such line of insurance within the categories Automobile Insurance, Property Insurance and Workers Compensation Insurance pro rata according to their respective proportions of the total gross premium, as defined by the Governing Committee derived from each such line of insurance in North Carolina during the preceding year. Assessments shall be levied quarterly in advance, provided that the initial assessment shall be levied on September l, l977, or as soon thereafter as reasonably possible. Annually, as of January lst, or as soon as possible after that date, the assessments paid by each Member during that year shall be adjusted according to the completed figures for such year.~~

~~ARTICLE VII – ORGANIZATION~~

~~At the meeting of the membership of the Bureau at which this Constitution is adopted, there shall be elected a Governing Committee of twelve Members, which shall be composed of six non-stock Members and six stock Members. At least one Member of the Governing Committee shall be a company domiciled in North Carolina. The initial Governing Committee shall be elected to serve terms as follows:~~

~~(a) Two non-stock and two stock Members to serve for a term of one year.~~

~~(b) Two non-stock and two stock Members to serve for two years.~~

~~(c) Two non-stock and two stock Members to serve for three years.~~

~~At each subsequent annual meeting of the Bureau, the scheduled vacancies occurring in the Governing Committee shall be filled by the election of two non-stock and two stock Members to serve for terms of three years. No Member shall be eligible to serve consecutively more than two (2) three-year terms as a Member of the Governing Committee. Service as a Member of the initial Governing Committee for terms of one or two years shall be disregarded for the purpose of determining eligibility for service thereafter. Vacancies in the interim between annual meetings shall be filled by a Member of the same class as the Member creating the vacancy by election of the remaining Members of the Governing Committee, such elected Member to serve for the unexpired term of the Member creating the vacancy.~~

~~The Governing Committee of the Bureau shall also have as nonvoting Members two persons~~

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.

~~GOVERNING COMMITTEE~~

~~(a) The~~ 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 ~~shall have~~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~~, shall have~~; supervision and direction over all ~~Committees of the Bureau and shall have~~ 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:
~~(t~~

(1) To ~~appoint~~hire, evaluate, compensate, or remove a ~~General Manager~~Chief Executive Officer;

(2) To select at its annual meeting a ~~Chairman~~Chair and Vice ~~Chairman~~Chair from the voting members of the Governing Committee, provided that such ~~Chairman~~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;

~~(4~~(5) To subscribe for ~~or~~, purchase ~~any service~~ , or contract for services, technology, professional advice, insurance, facilities, and resources necessary for the efficient and effective operation of the Bureau;

~~(5~~(6) To provide insurance related services for the North Carolina Reinsurance Facility or any other insurance entity;

~~(6~~(7) To provide for ~~the~~ maintenance of reasonable records of ~~the type and kind reasonably adapted to its method of operation, of~~or concerning the experience of its Members and ~~of~~ the data, statistics ~~or~~ , documents, and other information collected or used by the Bureau in carrying out the objects and purposes of the Bureau;

~~(7~~(8) To adopt ~~such~~, amend, and repeal rules ~~and~~, regulations ~~as shall be~~, and policies necessary to carry out the objects and purposes of the Bureau;

~~(8~~(9) To provide reasonable means whereby any person affected by a rate or loss cost made by the Bureau ~~may be heard in person~~, or ~~by his~~said person's authorized representative, may be heard before the Governing Committee or other proper executive of the Bureau;

~~(9) To provide for a system of reimbursement of expenses of members of any duly constituted committee or sub-committee of the Bureau for company personnel participation at meetings of any such committee or sub-committee;~~

~~(l0~~(10) To appoint ~~a Workers Compensation Committee, a Property Committee, an Automobile Committee and a Legal Committee~~standing committees and special committees, including task forces, which ~~Committees~~committees shall have the authority, duties, and functions as provided in Article IX of this Constitution and shall have ~~independent~~ power to authorize actions of the Bureau as delegated by the Governing Committee;

~~(ll) To appoint such other committees as it may deem necessary;~~

~~(l2~~(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.

~~(b)~~ The Governing Committee shall hold meetings whenever necessary ~~in Raleigh, North Carolina, or at such other place as may be agreed upon. Such meetings~~. Meetings may be called by the ~~Chairman~~Chair of the Governing Committee ~~or by~~, the ~~General Manager, and shall be called upon the written~~Chief Executive Officer, or upon request of at least four Members of the Governing Committee. ~~Due notice~~Notice of the date, time, and location and ~~place of all meetings shall be given~~/or electronic access information and known agenda items shall be provided to each ~~Member of the Governing Committee.~~ 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 ~~and affirmative~~ . Affirmative action on the part of the Governing Committee at any meeting shall require a quorum and an affirmative vote of majority ~~vote of all~~ Members ~~present~~in attendance and voting.

The ~~Chairman~~Chair of the Governing Committee, ~~or~~ the ~~General Manager shall have authority to~~Chief Executive Officer , or their appointed designee of any of them, may submit any matter to the Governing Committee for action ~~by a mail or wire vote. Action by mail or wire vote shall require a majority vote of~~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~~ ~~members~~voting Members of the Governing Committee. Any voting Member of the Governing Committee ~~may~~, in lieu of a vote, request ~~that the matter submitted for action by a mail or wire vote be considered~~subject to Mail or Electronic Vote be deferred for consideration at a meeting of the Governing Committee, in ~~which~~ ~~event~~case the ~~mail~~Mail or ~~wire vote~~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~~Mail or ~~wire vote~~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

~~**(a) Automobile Committee.** Subject to applicable provisions of law and this Constitution and with respect to~~ The Bureau shall maintain standing committees for Automobile Insurance ~~only, the Automobile Committee, which~~, 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 ~~this State, shall~~North Carolina and with the approval ~~of the Governing Committee, have authority over all matters pertaining to:~~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.

~~(l) The making and the filing with the Commissioner of classifications, rules, rates, rating plans, policy forms and policy provisions;~~

~~(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;~~

~~(3) The collection, compilation, and analysis of such statistical and other data relating to Automobile Insurance as are deemed necessary or desirable;~~

~~(4) The administration of such rating systems as may become effective pursuant to law;~~

~~(5) The furnishing upon request of pertinent information relating to classifications, rules, rates, rating plans, policy forms and policy provisions to Members affected thereby;~~

~~(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, rating plans, policy forms and policy provisions;~~

~~(7) The taking of any other action deemed necessary or appropriate for the efficient and effective administration and regulation of Automobile Insurance by the Bureau.~~

(b) Property Committee. ~~Subject to applicable provisions of law and this Constitution and with respect to Property Insurance only, the~~ The Property Committee~~, which~~ shall be comprised of Members writing Property Insurance in ~~this State, shall~~North Carolina and with ~~the~~ approval or delegation of the Governing Committee~~,~~ shall have authority ~~over all matters pertaining to:~~

~~(l) The making and the filing~~ with ~~the Commissioner of~~respect to Property Insurance to review, develop, recommend, approve when delegated, and support filings or actions concerning classifications, rules, rates, rating plans, ~~policy forms and policy provisions;~~

~~(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;~~

~~(3) The collection, compilation and analysis of such statistical and other data relating to Property Insurance as are deemed necessary or desirable;~~

~~(4) The administration of such~~ rating systems ~~as may become effective pursuant to law;~~

~~(5) The furnishing upon request of pertinent~~ , statistical plans, policy forms, policy provisions, supplementary rating information ~~relating to classifications, rules, rates, rating plans, policy forms,~~ data collection, actuarial support, and ~~policy provisions to Members affected thereby;~~

~~(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, rating plans, policy forms and policy provisions;~~

~~(7) The taking of any other action deemed necessary or appropriate for the efficient and effective~~related administration ~~and regulation of~~ . The Property ~~Insurance by the Bureau.(~~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. ~~Subject to applicable provisions of law and this Constitution and with respect to Workers Compensation Insurance only, the~~ The Workers Compensation Committee~~, which~~ shall be comprised of Members writing Workers Compensation Insurance in ~~this State, shall~~North Carolina and with ~~the~~ approval or delegation of the Governing Committee~~,~~ shall have authority ~~over all matters pertaining~~with respect to~~:~~

~~(l) The making~~ Workers Compensation Insurance to: review, develop, recommend, approve when delegated, and ~~the filing with the Commissioner of~~support filings or actions concerning classifications, rules, rates, prospective loss costs, rating plans, ~~policy forms and policy provisions;~~

~~(2) The development and adoption of statistical plans and procedures for the collection of loss and expense experience;~~

~~(3) The collection, compilation and analysis of such statistical and other data relating to Workers Compensation Insurance as are deemed necessary or desirable;~~

~~(4) The administration of such~~ rating systems ~~as may become effective pursuant to law;~~

~~(5) The furnishing upon request of pertinent~~ , statistical plans, policy forms, policy provisions, supplementary rating information ~~relating to classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions to insureds or Members affected thereby;~~

~~(6) The coordination and cooperation with rating organizations, advisory organizations, insurers and other insurance organizations in the development, application, or implementation of classifications, rules, rates, loss costs, rating plans, policy forms and policy provisions;~~

~~(7) The establishment of rules and~~, 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.

~~(8)~~ The ~~administration of a classification inspection program to assure that individual risks are properly and equitably classified;~~

~~(9) The taking of any other action deemed necessary or appropriate for the efficient and effective administration and regulation of~~ Workers Compensation ~~Insurance by the Bureau.~~

~~**(d) Legal**~~ Committee~~. The~~ shall report material actions, recommendations, filings, compliance matters, stakeholder issues, litigation-related matters, and other significant developments to the Governing Committee ~~may consult the Legal Committee on any matters involving the Bureau or its actions. The Governing Committee or the General Manager shall advise the Legal Committee of any action by the Commissioner to disapprove rates, loss costs, classifications, rules or forms filed by the Bureau, of any formal complaint of a Member, of any proposed changes~~ in ~~the Constitution, rules or regulations of the Bureau, of any known action or threatened action which may be subject to the indemnification article of this Constitution, and of any known proposed action, order, regulation or legislation which may affect the Bureau to the end that the Bureau will operate in compliance with the law and will be advised in its legal rights and obligations~~a manner established by the Governing Committee.

~~**(e) Committee Organization.** The Automobile Committee, the Property Committee, the Workers Compensation Committee, and the Legal Committee~~

Each standing committee shall ~~each~~ elect ~~a Chairman and shall hold meetings whenever necessary in Raleigh, North Carolina~~ or ~~at such other place as~~ otherwise designate a Chair and may ~~be agreed upon. Such meetings may be called by the Chairman of the Governing Committee,~~meet in person or by teleconference, videoconference, secure portal, other technology approved by the ~~Chairmen of the respective Committees or by the General Manager, and shall be called upon the written request of at least three Members of the Committee. Due notice of 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 ~~place of any such meetings~~known agenda items shall be ~~given~~provided to each ~~Member of the Committee.~~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 ~~the Members of any such Committee~~ committee members shall constitute a quorum ~~and~~ 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 ~~vote~~ of ~~all~~the committee members ~~of the Committee present~~in attendance and voting. ~~Voting by proxy shall not be permitted.~~

The ~~Chairman~~Chair of the Governing Committee, the ~~Chairman~~Chair of ~~each such Committee~~a committee, ~~or~~ the ~~General Manager shall have authority to~~Chief Executive Officer, or their appointed designee of any of them may submit any matte~~r to~~ ~~the Comm~~itteea committee for ~~action~~ ~~by a mail~~ or wireoutside of a meeting by requesting a vote. through Mail or Electronic Vote. ~~Action~~ ~~by mail~~ or wireoutside a meeting by Mail or Electronic Vote shall require the affirm~~ative~~ ~~vote~~ ~~sh~~all requireof at least a three-fourths (3/4) majority of the ~~Members of~~ the Committee. 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 - GENERAL MANAGER– CHIEF EXECUTIVE OFFICER

The General ManagerChief 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) ~~(a)~~ Be responsible for ~~all~~the property, funds, records, and operations of the Bureau; ~~collect all fees, dues, assessments and other monies payable to the Bureau~~ and for appropriate internal controls;

~~(1)~~(2) Collect, receive, deposit ~~the same in such bank or banks as designated by the Governing Committee to the credit of the Bureau;~~, disburse ~~funds of the Bureau only in the payment of necessary expenses of the Bureau;~~, and account ~~to the Governing Committee for all property,~~ for Bureau funds ~~and disbursements~~;

~~(2)~~(3) ~~(b) Act in the capacity of~~Serve as Secretary to the Bureau and the Governing Committee ~~and keep a record~~, 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;

~~(3)~~(4) ~~(c)~~ Upon direction of the Governing Committee, ~~Automobile Committee, Property Committee, or Workers Compensation Committee~~ file with the Commissioner ~~on behalf of the Bureau~~ classifications, rules, rates, loss costs, rating plans, rating systems, policy forms ~~and~~, policy provisions, statistical plans, supplementary rating information, and related supporting materials;

(5) ~~(d) With the approval of the Governing Committee, hire and~~Hire, supervise ~~the~~, evaluate, and manage staff and personnel ~~and procure;~~

~~(4)~~(6) Procure and maintain ~~the~~ office space ~~and office~~, technology, equipment, services, consultants, and professional resources necessary ~~to~~for the efficient and effective ~~and efficient~~ operation of the Bureau;

(7) ~~(e)~~ Support regulatory relationships, stakeholder communications, statutory compliance, data governance, cybersecurity, business continuity, risk management, and internal controls; and

~~(5)~~(8) Perform such other duties as may be ~~required~~assigned by the Governing Committee.

The ~~General Manager~~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 ~~endorse~~other documents in the name and on behalf of the Bureau in the transaction of ~~its~~Bureau business, ~~but not otherwise, checks, drafts, notes and bills of exchange, subject to such limitations and counter-signature~~ as authorized by the Governing Committee ~~may determine.~~. The ~~General Manager~~Chief Executive Officer and such other personnel as the Governing Committee may designate shall~~, at the expense of the Bureau, give a bond~~ be bonded or insured in such a form and amount as the Governing Committee ~~may prescribe~~determines appropriate.

ARTICLE XI ~~—~~ MEETINGS OF THE BUREAU MEMBERSHIP

~~**The meeting at which this Constitution is adopted shall constitute the**~~

An annual meeting of the Bureau ~~for the year in which it is adopted. Thereafter, an annual meeting of the Bureau~~membership shall be held each year ~~during the month of October or November of such year as~~ at a date and time designated by the Governing Committee. ~~The annual meetings shall be held in Raleigh, North Carolina or at such other place in North Carolina as may be designated by the Governing Committee.~~

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

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

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

ARTICLE XII ~~- FURNISHING OF~~ – MEMBER DATA, STATISTICS, AND RECORDS

Each Member shall, ~~on~~upon request, annually and at ~~other reasonable~~ times~~,~~ and formats specified by the Bureau, promptly furnish or cause to be furnished to the Bureau, or to such other ~~agency or agencies as the Bureau may designate, any and all statistics of such Member arising out of or reasonably related to the making of rates or loss costs for Automobile Insurance, Property Insurance or Workers Compensation Insurance in North Carolina.~~statistical

~~**ARTICLE XIII - INDEMNIFICATION**~~

~~(a) Each person or Member who shall serve on a Committee of the Bureau, or as an officer or employee of the Bureau, or any predecessor~~ organization, ~~whether~~vendor, or ~~not he, she or it is then acting in such position or capacity, shall be indemnified~~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, ~~amounts paid in~~penalties, settlements, and reasonable expenses, including ~~attorneys'~~attorneys' fees, actually and ~~necessarily~~reasonably incurred ~~by or imposed upon him, her or it~~ in connection with ~~or arising out of~~ any action, suit ~~or~~, proceeding, investigation, inquiry, or claim arising out of service to ~~which he, she or it may be made a party by reason of his, hers or its having served on such committee, or as an officer or employee~~or on behalf of the Bureau, provided ~~he, she~~the person or ~~it~~Member acted in good faith ~~for~~, acted in a ~~purpose he, she~~manner the person or ~~it~~Member reasonably believed to be in or not opposed to the best interests of the Bureau ~~and in connection with which he, she or it~~, and had no reasonable cause to believe ~~that his, hers or its~~the conduct was unlawful or improper. ~~Such indemnification shall not be exclusive of other rights such person or Member may have and shall pass to the successors, heirs, executors or administrators of such person or Member.~~ In the absence of proof to the contrary, it shall be presumed that a person or Member ~~who shall serve on a committee of the Bureau or as an officer or employee of the Bureau shall have acted in~~ acted in good faith~~. In the event~~, 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~~, in whole or in part, with reference to amounts paid in settlements where there has been no judicial determination, such right to indemnification will~~ shall require ~~the prior~~ approval ~~of any such settlement~~ by the Governing Committee.
~~Any person or Member or officer or employee of the Bureau, which shall seek~~
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 ~~under the provisions of this Article XIII, shall promptly notify the Bureau, in writing, of any action, suit or proceeding or any threat thereof. The Bureau shall have the right to, and may, at its own cost, defend or otherwise dispose of any such pending or threatened action, suit or proceeding and shall promptly advise the person or Member seeking indemnification whether the Bureau elects to defend or otherwise dispose of such matter itself.~~ 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 ~~XIII~~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.

~~(b) In the event the existence of the Bureau is terminated and a person, ex-Member or successor thereafter desires to assert or continue a claim for indemnification, the rights of such person, ex-Member or successor shall be the same as set forth in section (a), except as provided below. As used in this section (b) the term "Indemnification Committee" refers to those disinterested ex-Members which comprised the Governing Committee of the Bureau immediately prior to the termination of its existence. Provided, however, that if there are less than three disinterested ex-Members which comprised the Governing Committee at such time, the Senior Resident Superior Court Judge of Wake County shall appoint to the Indemnification Committee a sufficient number of persons (which shall if possible be ex-Members of the Bureau) so that there shall be three Members of the Indemnification Committee.~~

~~(l) All notices required to be given to, all approvals required to be obtained from, and all rights and powers which would have been vested in the Governing Committee under section (a) of this Article XIII had the existence of the Bureau not been terminated shall instead be given to, obtained from and vested in the Indemnification Committee.~~

~~(2) In order to apportion the indemnification payments herein required the Indemnification Committee shall first apportion the total indemnification amount (which shall include a charge for the expenses reasonably incurred by the members of the Indemnification Committee) among Automobile Insurance, Property Insurance, and Workers Compensation Insurance and by line of insurance within each such category in such equitable manner as it shall determine. The indemnification amount allocated to each line shall be apportioned among all insurers (including, if applicable, the ex-Member or successor seeking indemnification) who were Members of the Bureau at any time during the calendar year in which the existence of the Bureau terminated. Such apportionment shall be made pro rata according to each ex-Member's respective proportions of the total gross premium, as defined by the Indemnification Committee, derived from each such line of insurance in North Carolina during the calendar year preceding the calendar year in which the existence of the Bureau was terminated.~~

~~(3) The Indemnification Committee shall furnish or cause to be furnished to each indemnifying insurer a statement setting forth its share, as thus determined, of the total indemnification amount. Each indemnifying insurer shall promptly pay its share of the total indemnification amount in such manner as may be directed by the Indemnification Committee.~~

ARTICLE ~~XIV -~~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 ~~XV -~~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~~1st following the effective date of resignation.

ARTICLE ~~XVI~~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'~~days' written notice of such meeting with a copy of the proposed amendment has been given to the Members.~~**ARTICLE**~~

~~XVII -~~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 ~~from time to time lawfully~~ be adopted by the Bureau.
Revised ~~**December 3, 2001**~~**____________, 2026**

ACCEPTANCE OF NORTH CAROLINA RATE BUREAU CONSTITUTION

The ____

(Company) ~~**(Federal I.D. #)**~~ **(NAIC #)**

hereby subscribes to and accepts the provisions of the Constitution of the North Carolina Rate Bureau.

____

(Signature)

____

(Title)

____

(Date)

~~**To the North Carolina Rate Bureau:**~~

~~**This Company is licensed in North Carolina to write the following coverages as defined in Article III of the Constitution of the North Carolina Rate Bureau (please check all applicable boxes):**~~

~~**[ ] Property Insurance [ ] Automobile Insurance**~~

~~**[ ] Liability**~~

~~**[ ] Workers Compensation [ ] Physical damage or theft**~~

~~**This company joins as (check one):**~~

~~**[ ] Member of Property Casualty Insurers Association of American (PCI)**~~

~~**[ ] Member of American Insurance Association**~~

~~**[ ] Non-affiliated stock insurer**~~

~~**[ ] Non-affiliated non-stock insurer**~~

~~**Legal Form of Ownership:**~~

~~**[ ] Mutual**~~

~~**[ ] Stock**~~

~~**[ ] Reciprocal**~~

~~**NAIC Information:**~~

~~**NAIC Company Code**~~ ____________ ~~**NAIC Group Code**~~ ____________

~~**NAIC Group Name**~~ ______________________________

~~**Group Mailing Address**~~ ______________________________

____

____

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 __[insert date]__, 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 _____________, 2026

ACCEPTANCE OF NORTH CAROLINA RATE BUREAU CONSTITUTION

The ____

(Company) (NAIC #)

hereby subscribes to and accepts the provisions of the Constitution of the North Carolina Rate Bureau.

____

(Signature)

____

(Title)

____

(Date)