

September 21, 2016

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: NCCI Experience Rating Plan Manual Update  
NC State Rule Exception Rule 3-A  
Addition of NCRB ERM-14 to Manual

The North Carolina Rate Bureau (Bureau) filed and the North Carolina Department of Insurance approved effective October 1, 2016, the following updates to the NCCI Experience Rating Plan Manual:

- North Carolina State Rule Exception to Rule 3-A *Ownership Changes and Combination of Entities*
- The addition of the North Carolina Rate Bureau ERM-14 Form to the North Carolina Appendix

The Notification of Change in Ownership Endorsement (WC 00 04 14) requires that changes in ownership of a named insured be reported to the carrier(s) within 90 of the change. To assist insureds and agents with timely and accurate reporting of changes for North Carolina intrastate risk, the Bureau developed a state-specific Confidential Request for Ownership Information Form titled North Carolina Rate Bureau ERM-14 (NCRB ERM-14). The NCRB ERM-14 was approved by the North Carolina Department of Insurance for the reporting of ownership changes occurring on or after October 1, 2016 for all North Carolina Intrastate risk.

A copy of the North Carolina State Rule Exception is included for your review (NCCI Exhibit 1).

The NCRB ERM-14 Form is available on the Bureau's website at [www.ncrb.org](http://www.ncrb.org). This form should be used to report ownership changes, for North Carolina ***intrastate*** risk, occurring on or after October 1, 2016. To report changes in ownership for ***interstate*** risk, insureds should continue to use the NCCI ERM-14, and submit this directly to the National Council on Compensation Insurance for review.

If you have questions, contact the NCRB Information Center at 919-582-1056 or via email at [winfo@ncrb.org](mailto:winfo@ncrb.org).

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:dms  
C-16-21

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**EXHIBIT 1**  
**EXPERIENCE RATING PLAN MANUAL—2003 EDITION**  
**NORTH CAROLINA RULE EXCEPTIONS**  
**RULE 3—OWNERSHIP CHANGES AND COMBINATION OF ENTITIES**

**A. REPORTING REQUIREMENT**

Change Rule 3-A as follows:

The Notification of Change in Ownership Endorsement provides that changes in ownership and/or combinability status must be reported by the employer to its carrier(s) within 90 days of the date of the change. This may be accomplished by submitting:

- For North Carolina intrastate risks, a completed North Carolina Rate Bureau ERM-14 Confidential Request for Ownership Information Form (refer to the NCRB ERM-14 Form in the North Carolina Appendix), or
- For risks with exposure in multiple states, including North Carolina (interstate risks), a completed Confidential Request for Ownership Information Form (refer to national Rule 3-A and the national version of the ERM-14 Form in Appendix), or
- The information in narrative form on the letterhead of the insured, signed by an officer of the insured entity

Failure to report changes in ownership, according to the Notification of Change in Ownership Endorsement, may be considered modification evasion. Refer to Rule 3-F.