



11/19/2025

CIRCULAR LETTER TO ALL WORKERS COMPENSATION MEMBER COMPANIES

Re: WC2025-04

Revisions to Manual Rules Relative to Producer Fees and Deposit Premium for Premium Financed Policies

Summary – This filing clarifies the following:

- Clarifies in Rule 4.G.6 that if the policy is a minimum premium policy, the producer fee is paid on the entire minimum premium, which includes the expense constant and excludes other premium elements that are not part of the total standard premium.
- Revises Rule 4.G.4.H to specify that the deposit premium for premium financed policies in the residual market must be 100% of the total estimated annual premium and that these policies are not eligible for premium installment payments.

The North Carolina Rate Bureau filed, and the North Carolina Commissioner of Insurance has approved our filing number WC2025-04. This filing revises language in the North Carolina Basic Manual for Workers Compensation and Employers Liability for producer fees and deposit premium for premium financed policies as outlined above.

Complete copies of the WC2025-04 Filing Memorandum and exhibits outlining all changes are included for your review. These changes become effective 1/1/26.

If you have any questions, contact Regulatory Manager, Jodi Webb at 919-719-3028 or via email at JLW@ncrb.org.

Sincerely,

Jarred Chappell
Chief Operating Officer
JC: ko Attachment
C-25-12



NORTH CAROLINA
Rate Bureau

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North Carolina Rate Bureau Filing Memorandum Filing WC2025-04

Revisions to Basic Manual Rules Relative to Producer Fees and Deposit Premium for Premium Financed Policies

PURPOSE

This item updates rules regarding producer fees and deposit premium for premium financed policies in NCRB's ***Basic Manual for Workers Compensation and Employers Liability Insurance (Basic Manual)***.

Proposal

This item proposes the following revisions to NCRB's Basic Manual:

- Clarifies in Rule 4.G.6 that if the policy is a minimum premium policy, the producer fee is paid on the entire minimum premium, which includes the expense constant and excludes other premium elements that are not part of the total standard premium.
- Revises Rule 4.G.4.H to specify that the deposit premium for premium financed policies in the residual market must be 100% of the total estimated annual premium and that these policies are not eligible for premium installment payments.

IMPLEMENTATION

This filing is applicable to new and renewal policies with effective dates on or after 12:01 am on January 1, 2026.



6. Producer Fee

The producer fee paid by the assigned carrier must be a 5% flat fee applied to the total annual premium charged and collected. If the policy is a minimum premium policy, the producer fee is paid on the entire minimum premium, which includes the expense constant and excludes other premium elements that are not part of the total standard premium.



4H. Deposit Premium

Deposit premium for Assigned Risk is determined using a percentage of the estimated annual premium. The percentage varies with the amount of the estimated annual premium.

Deposit premium for premium financed policies: The deposit premium for a premium financed policy is 100% of the total estimated annual premium. The policy is not eligible for premium installment payments for the entire policy year.

Estimated Annual Premium	Payment Basis	Minimum Deposit Percentage	Additional Payments During Year
Under \$5,000	Annual	100% of annual	None
At least \$5,000	Semiannual	75% of annual	One
At least \$10,000	Quarterly	50% of annual	Three

Additional payments shall be in equal amounts. The sum of which, when added to the deposit premium, shall equal 100% of estimated annual premium. Estimated annual premium and the payment schedule are subject to adjustment at interim or final audit, and a risk may select a higher deposit premium at inception.

The above "Deposit Premium" table is followed by the designated carriers. After assignment the designated carrier, based on sound underwriting practices, has the right to make appropriate changes in the payment basis which the employer has selected. The designated carrier will give reasons for any change.