



February 11, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: ASSIGNED RISK TAKE OUT CREDIT PROGRAM- CALENDAR YEAR 2025

Summary:

For the Assigned Risk Take Out Credit Program on 2025 policies, carrier members need to:

- **Take no action if you participated in 2024 and want to continue in 2025;**
- **Send updated contact information only if the contact has changed; or**
- **Notify NCRB if you wish to change your participation status for 2025.**

Carriers participating in the Take Out Credit Program will be required to email takeoutcredit@ncrb.org to confirm their credits by April 10, 2026.

North Carolina's Workers' Compensation Assigned Risk Take-Out Credit Program encourages carriers to move eligible policies from the residual market to the voluntary market. Carriers receive credit applied toward their voluntary premium used in calculating their Plan participation base.

If a carrier wishes to participate as a new carrier in 2025, notification to the North Carolina Rate Bureau is required by February 27, 2026. Send intent to participate to the attention of Data Services at takeoutcredit@ncrb.org and include the following information:

- Carrier Name
- NCCI Carrier Code
- Take-Out Credit Contact Name
- Take-Out Credit Contact Mailing Address
- Take-Out Credit Contact E-mail Address
- Take-Out Credit Contact Phone Number and Fax Number

Carriers must notify NCRB if they elect not to continue to participate and/or if there are any changes in the Take-Out Credit contact information.

The NCRB will provide preliminary reports to carriers by March 10, 2026 and requests that carriers confirm the report is correct or note any corrections on or before April 10, 2026. Corrections received after April 10, 2026 will NOT be considered. NCRB will email final reports to participating carriers by April 27, 2026.

For your convenience, a copy of the North Carolina Take-Out Credit Program rules are attached. If you have questions concerning the North Carolina Assigned Risk Take-Out Credit Program, please contact Data Services at takeoutcredit@ncrb.org .

Sincerely,

Allison Smart

Allison Smart
Director, Workers Compensation Operations

AS:ko
C-26-1
Attachment

NORTH CAROLINA WORKERS COMPENSATION TAKE-OUT CREDIT PROGRAM

1. Each insurer participating in the Workers Compensation Insurance Plan that removes an employer insured through the Plan and places that insured in the voluntary market shall be eligible for a take-out credit application against the premium used to calculate the insurer's Plan participation base.
2. An offer to take an employer out of the Plan must be made in writing to the named insured, stating the amount of the estimated annual premium, the amount of the down payment required and the amount of each installment (if available).
3. An insurer will not receive credit for any policy removed from the Plan within one (1) calendar year of that insurer or a member of that insurer's group writing the policy in the voluntary market. An insurer, other than the last voluntary insurer of record, may remove a policy without any restriction on the length of time the policy resided in the residual market. For the purposes of the program, these requirements apply to an insurer's group as well as the insurer.
4. The kind and amount of coverage to be offered such voluntary employers shall not be less than those afforded by the policy being replaced unless such kinds and amounts of coverage are refused by the employer.

Credits

1. A participant in the Plan, removing an employer from the residual market and placing that employer in the voluntary market, shall be eligible for a take-out credit application to the insurer's premium used to calculate its Plan participation base in accordance with the following schedule:

	All Policies
First Year	1.0
Second Year	1.0
Third Year	1.0

2. There shall be no maximum limit on credits received under this program provided, however, that the credits shall not reduce the insurer's participation base below zero.
3. An insurer will receive a credit against the premium used to calculate its Plan participation base for the amount of verifiable annual premium reflected in its financial statements (Statutory Page 14) for the respective calendar year. This reported premium shall be stated on the same financial basis as the premiums that are reported for use in determining each insurer's Plan participation base and shall be subject to subsequent adjustments and audits. Refer to the definition of "net premiums written" in Section I of the Plan for a description of premium used to calculate the Plan participation base.

As audit premiums, retro adjustments, etc., are developed, the insurer will receive a credit against its participation base for the amount of such premium adjustment in the calendar year in which such adjustment is reflected on Statutory Page 14. Regardless of when an adjustment was made and/or reflected on Statutory Page 14, the adjustment will be allowed if related to the first, second or third year of voluntary coverage by the insurer.
4. If the insurer keeps the employer out of the residual market for three (3) years, that insurer will receive credit for each of the three (3) years. If the insurer does not write the business for three (3) years, it will receive credit only for the period of time that it covered the employer in the voluntary market. In no instance shall an insurer receive credit for employers returned to the Plan within one (1) policy year.