

January 4, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item P-1401 – WC 00 03 09 B
Rural Utilities Service Endorsement

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved NCCI Item P-1401 – Revision of the Rural Electrification Administration Endorsement. The filing is effective April 1, 2006.

The form filing revised form WC 00 03 09 A with new form WC 00 03 09 B. The form title changed to the Rural Utilities Service Endorsement.

A copy of NCCI Item P-1401 is attached for your reference. Please note page 2 (Exhibit 1) and page 5 (Exhibit 4) did not apply in North Carolina and are not included in the attachment

Sincerely,

Sue Taylor

Director of Workers Compensation

ST:dg

C-06-01

FILING MEMORANDUM

ITEM P-1401—REVISION OF THE RURAL ELECTRIFICATION ADMINISTRATION ENDORSEMENT

PURPOSE

The purpose of this item is to change the name of the agency listed on the Rural Electrification Administration Endorsement (WC 00 03 09 or WC 00 03 09 A). The Rural Electrification Administration is now known as the Rural Utilities Service. The Rural Electrification Endorsement WC 00 03 09 and WC 00 03 09 A will be replaced by the Rural Utilities Service Endorsement WC 00 03 09 B.

BACKGROUND

The Rural Electrification Administration Endorsement (WC 00 03 09) was created to provide instruction for rural cooperatives required to submit information to the Rural Electrification Administration. In 1994, WC 00 03 09 A was created because there was a revision of the Rural Electrification Administration requirements for cooperative or mutual organizations.

Congress established the Rural Utilities Service as a federal agency within the United States Department of Agriculture, and it absorbed the Rural Electrification Administration and its responsibilities for rural electrification and telephone service.

PROPOSAL

It is proposed that the revised Rural Utilities Service Endorsement (WC 00 03 09 B) as contained in the attached exhibit be adopted in all states that currently have approved either WC 00 03 09 or WC 00 03 09 A. The following is a summary of each of the exhibits included in this item filing package:

- **Exhibits 1 and 2** show the removal of both WC 00 03 09 and WC 00 03 09 A
- **Exhibit 3** details the changes to WC 00 03 09 B in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance*
- Because Florida requires that the notes be filed, **Exhibit 4** includes the notes to WC 00 03 09 B in NCCI's *Forms Manual of Workers Compensation and Employers Liability Insurance* for Florida only

IMPACT

This item does not impact current premium levels.

IMPLEMENTATION

It is proposed that the attached exhibits be implemented:

- In all states except Virginia, effective at 12:01 a.m. on January 1, 2006, applicable to new and renewal voluntary and assigned risk business only
- In Virginia, it is proposed that this item be effective for new and renewal voluntary and assigned risk policies effective on and after 12:01 a.m. on January 1, 2006

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ITEM P-1401—REVISION OF THE RURAL ELECTRIFICATION ADMINISTRATION
ENDORSEMENT

EXHIBIT 2
FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
(APPLIES IN: AZ, CO, HI, MD, MT, NC, UT, VA)

~~RURAL ELECTRIFICATION ADMINISTRATION ENDORSEMENT WC 00 03 09 A~~

- ~~1. We will submit our policy and endorsement forms to the Rural Electrification Agency prior to using them.~~
- ~~2. We will mail to the Rural Electrification Agency at least ten days advance notice of the termination of the policy.~~
- ~~3. If you are immune from tort liability, we will not use that immunity as a defense unless you so request us. You agree that waiving the defense of immunity will not make us liable for any payment in excess of the limits of liability stated in the policy.~~
- ~~4. If you are a cooperative or a mutual organization, we agree with the Rural Electrification Administration that the insurance afforded by this policy is subject to the following provisions:~~
 - ~~a. We agree that we will not use, either in the adjustment of claims or in the defense of suits against you, your immunity from tort liability, unless you interpose such defense.~~
 - ~~b. You agree that the waiver of the defense of immunity shall not subject the company to liability of any portion of a claim, verdict or judgment in excess of the limits stated in the policy.~~
 - ~~c. We agree that if you are relieved of liability because of your immunity, either by interposition of such defense at your request or by voluntary action of a court, the insurance applicable to the injuries on which such suit is based, to the extent it would otherwise have been available to you, shall apply to your officers and employees in their capacity as such; provided that all defenses other than immunity in suits against you or against the company under the policy shall be available to the company with respect to such officers and employees in suits against such officers and employees or against the company under the policy.~~

ITEM P-1401—REVISION OF THE RURAL ELECTRIFICATION ADMINISTRATION
ENDORSEMENT

EXHIBIT 3

FORMS MANUAL OF WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
(APPLIES IN: AK, AL, AR, AZ, CO, CT, DC, DE, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, ME, MD,
MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT)

~~RURAL ELECTRIFICATION ADMINISTRATION~~ UTILITIES SERVICE ENDORSEMENT WC 00 03 09 B

1. We will submit our policy and endorsement forms to the Rural ~~Electrification Agency~~ Utilities Service (RUS) prior to using them.
2. We will mail to the Rural ~~Electrification Agency~~ Utilities Service at least ten days advance notice of the termination of the policy.
3. If you are immune from tort liability, we will not use that immunity as a defense unless you so request us. You agree that waiving the defense of immunity will not make us liable for any payment in excess of the limits of liability stated in the policy.
4. If you are a cooperative or a mutual organization, we agree with the Rural ~~Electrification Administration~~ Utilities Service that the insurance afforded by this policy is subject to the following provisions:
 - a. We agree that we will not use, either in the adjustment of claims or in the defense of suits against you, your immunity from tort liability, unless you interpose such defense;
 - b. You agree that the waiver of the defense of immunity shall not subject the company to liability of any portion of a claim, verdict or judgment in excess of the limits stated in the policy;
 - c. We agree that if you are relieved of liability because of your immunity, either by interposition of such defense at your request or by voluntary action of a court, the insurance applicable to the injuries on which such suit is based, to the extent it would otherwise have been available to you, shall apply to your officers and employees in their capacity as such; provided that all defenses other than immunity in suits against you or against the company under the policy shall be available to the company with respect to such officers and employees in suits against such officers and employees or against the company under the policy.