

# NORTH CAROLINA RATE BUREAU

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October 25, 2001

## CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Residual Market Rate Filing

As previously announced, an August 31, 2001 filing was submitted to the North Carolina Commissioner of Insurance that proposed revised workers compensation insurance residual market rates, rating values and miscellaneous values.

The filing proposed an average increase of 5.2% in the overall premium level of the workers compensation insurance residual market in North Carolina. By industry group, the changes are: Manufacturing, 6.1% increase; Contracting, 5.9% increase; Office and Clerical, 1.6% decrease; Goods and Services, 7.1% increase; and Miscellaneous, 3.6% increase. Within each industry group, the change will vary from the average by classification depending upon the volume and character of the particular classification experience.

The filing proposed an overall premium level decrease of 10.5% for the residual market rates applicable to the classifications which contemplate exposure under the United States Longshore and Harbors Workers Compensation Act (AF@ classifications).

The filing proposed no change in the \$210 expense constant or the \$850 maximum minimum premium.

The Commissioner of Insurance has approved the residual market rate filing. Revised rates, rating values and miscellaneous values will become effective in accordance with the following rule of application:

Revised residual market rates shall become effective as of April 1, 2002 and shall be applied to all residual market policies as of the first normal anniversary rating date which is on or after April 1, 2002, but shall not otherwise be available to outstanding policies. No policy may be canceled and rewritten to take advantage of or to avoid the application of this rule.

The enclosed exhibits set forth the rates, rating values and miscellaneous values that have been approved for the workers compensation insurance residual market effective April 1, 2002.

The approved residual market rates and rating values, are available as a Microsoft Excel spreadsheet and an Adobe Acrobat pdf file on our web site at [www.ncrb.org](http://www.ncrb.org).

Reprint North Carolina rate pages will be distributed in the usual manner.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:dg

Enclosures

C-01-14

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S1  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
0005	4.25	850	1.33	0.26	0.35	1925	8.25	850	2.79	0.30	0.32
0008	4.61	850	1.38	0.25	0.29	2001	6.57	850	2.13	0.28	0.39
0016	7.47	850	2.29	0.26	0.35	2002	7.76	850	2.47	0.27	0.35
0034	6.91	850	2.05	0.24	0.32	2003	5.82	850	1.69	0.26	0.33
0035	3.98	850	1.29	0.28	0.34	2014	8.12	850	2.19	0.23	0.34
0036	8.80	850	2.71	0.26	0.39	2016	2.95	756	0.78	0.20	0.38
0037	5.54	850	1.50	0.21	0.30	2021	3.18	798	1.02	0.27	0.31
0042	8.87	850	2.65	0.25	0.34	2039	7.60	850	2.44	0.27	0.29
0050	12.09	850	3.17	0.20	0.24	2041	3.54	850	1.13	0.28	0.42
0059D	0.62	—	0.08	0.18	—	2065	4.68	850	1.38	0.24	0.31
0065D	0.11	—	0.02	0.27	—	2070	4.78	850	1.34	0.22	0.28
0066D	0.11	—	0.02	0.28	—	2081	6.80	850	2.34	0.31	0.37
0067D	0.11	—	0.02	0.26	—	2089	10.73	850	3.44	0.28	0.38
0079	5.31	850	1.37	0.22	0.33	2095	6.72	850	2.08	0.26	0.33
0083	6.34	850	1.89	0.24	0.29	2105	8.51	850	2.60	0.26	0.38
0106	33.74	850	8.41	0.20	0.27	2110	4.40	850	1.47	0.29	0.33
0113	7.27	850	2.43	0.29	0.36	2111	3.47	850	1.12	0.28	0.34
0170	5.98	850	1.75	0.24	0.30	2112	3.13	789	1.05	0.29	0.35
0251	5.95	850	1.80	0.25	0.33	2114	7.22	850	2.34	0.28	0.37
0400	11.78	850	3.22	0.21	0.32	2121	6.41	850	1.93	0.25	0.23
0401	16.79	A	4.45	0.22	0.29	2130	6.06	850	1.78	0.24	0.31
0763FN	3.13	—	—	—	—	2131	2.75	719	0.82	0.24	0.29
0771N	0.72	—	—	—	—	2143	4.73	850	1.50	0.27	0.36
0908P	124.00	334	38.95	0.27	0.33	2150	10.90	850	3.46	0.27	0.35
0909P	119.00	329	35.25	0.25	0.33	2156	4.65	850	1.49	0.27	0.33
0912P	575.00	785	170.00	0.24	0.37	2157	3.94	850	1.19	0.25	0.29
0913P	425.00	635	116.16	0.21	0.27	2172	2.85	737	0.83	0.23	0.19
0917	6.91	850	2.46	0.32	0.34	2174	5.62	850	1.63	0.22	0.24
1005*	13.10	850	1.18	0.18	0.24	2211	9.86	850	2.62	0.23	0.33
1164	9.57	850	2.16	0.19	0.23	2220	3.77	850	1.13	0.25	0.31
1165XE	5.78	850	1.27	0.17	0.22	2286	3.03	771	0.95	0.27	0.31
1320	4.74	850	1.14	0.19	0.26	2288	6.60	850	2.02	0.26	0.31
1322	23.16	850	5.39	0.18	0.24	2300	7.01	850	1.91	0.21	0.39
1430	8.02	850	2.18	0.23	0.29	2302	3.10	784	0.99	0.27	0.33
1438	5.30	850	1.31	0.20	0.29	2305	2.89	745	0.79	0.21	0.24
1452	3.96	850	1.02	0.21	0.25	2361	2.27	630	0.74	0.28	0.32
1463	18.97	850	4.30	0.17	0.24	2362	3.62	850	1.15	0.27	0.32
1470	6.16	850	1.54	0.20	0.27	2380	2.80	728	0.93	0.29	0.35
1473X	3.83	850	1.07	0.24	0.30	2386	2.89	745	0.80	0.21	0.33
1474X	4.08	850	1.05	0.21	0.27	2388	3.72	850	1.25	0.29	0.34
1624E	5.65	850	1.40	0.20	0.24	2402	5.69	850	1.38	0.19	0.24
1642	4.86	850	1.31	0.23	0.29	2413	3.86	850	1.23	0.27	0.33
1654	7.50	850	1.83	0.20	0.28	2416	2.00	580	0.64	0.27	0.33
1655	5.98	850	1.53	0.21	0.26	2417	3.00	765	1.06	0.32	0.34
1699	5.57	850	1.67	0.27	0.32	2501	3.19	800	1.02	0.27	0.32
1701	4.74	850	1.22	0.21	0.28	2503	1.99	578	0.70	0.31	0.35
1710	9.23	850	2.21	0.19	0.27	2534	3.00	765	1.00	0.30	0.39
1741D	5.15	850	0.97	0.18	0.25	2570	7.66	850	2.34	0.26	0.36
1747	5.61	850	1.40	0.20	0.28	2576	7.09	850	2.37	0.29	0.33
1748	4.86	850	1.49	0.28	0.33	2578	5.87	850	2.10	0.32	0.34
1803D	10.11	850	2.26	0.22	0.28	2585	4.94	850	1.60	0.28	0.36
1852D	4.50	850	1.47	0.31	0.26	2586	2.62	695	0.91	0.31	0.33
1853	5.48	850	1.63	0.25	0.37	2587	2.92	750	0.93	0.27	0.32
1860	4.17	850	1.26	0.25	0.38	2589	3.08	780	1.02	0.29	0.34
1924	4.38	850	1.30	0.24	0.30	2600	5.53	850	1.77	0.27	0.32

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S2  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
2623	5.18	850	1.54	0.24	0.30	3145	2.89	745	0.95	0.29	0.34
2651	3.16	795	1.08	0.30	0.40	3146	3.86	850	1.19	0.26	0.36
2660	3.90	850	1.30	0.29	0.40	3169	5.15	850	1.68	0.28	0.34
2670	3.54	850	1.19	0.29	0.38	3175	2.04	587	0.62	0.25	0.32
2683	4.32	850	1.49	0.31	0.42	3179	3.06	776	1.00	0.28	0.33
2688	2.97	759	1.05	0.32	0.37	3180	3.96	850	1.27	0.27	0.31
2705X*	76.02	850	19.97	0.22	0.24	3188	2.20	617	0.70	0.27	0.37
2706X	29.65	850	6.97	0.18	0.27	3220	5.30	850	1.49	0.22	0.27
2710	9.96	850	2.81	0.25	0.32	3223	2.93	752	0.99	0.29	0.39
2714	6.23	850	1.89	0.25	0.34	3224	6.06	850	2.01	0.28	0.33
2727X	14.88	850	3.11	0.14	0.15	3227	6.65	850	2.15	0.28	0.38
2731	6.91	850	2.16	0.26	0.31	3240	4.58	850	1.55	0.30	0.38
2735	6.42	850	2.17	0.30	0.36	3241	6.49	850	2.13	0.29	0.37
2759	10.38	850	3.36	0.28	0.37	3255	7.14	850	2.41	0.29	0.46
2790	5.12	850	1.72	0.30	0.38	3257	3.96	850	1.21	0.26	0.33
2791X	2.64	698	0.84	0.27	0.41	3270	3.85	850	1.34	0.31	0.31
2797X	6.44	850	2.14	0.29	0.37	3300	10.30	850	3.48	0.29	0.35
2802	7.68	850	2.30	0.25	0.35	3303	7.09	850	2.34	0.29	0.38
2812	7.16	850	2.22	0.26	0.36	3307	5.88	850	1.82	0.26	0.35
2835	3.77	850	1.28	0.29	0.41	3315	4.16	850	1.36	0.28	0.35
2836	2.46	665	0.88	0.31	0.37	3334	4.29	850	1.29	0.25	0.34
2841	6.41	850	2.34	0.33	0.37	3336	3.78	850	1.20	0.27	0.35
2881	4.45	850	1.50	0.30	0.33	3365	22.20	850	6.10	0.24	0.35
2883	5.09	850	1.58	0.26	0.33	3372	5.04	850	1.42	0.24	0.32
2913	5.30	850	1.98	0.34	0.34	3373	11.38	850	3.53	0.27	0.48
2915	7.04	850	2.15	0.26	0.33	3383	2.10	599	0.69	0.29	0.33
2916	5.62	850	1.95	0.31	0.35	3385	2.58	687	0.84	0.28	0.33
2923	5.88	850	1.87	0.28	0.44	3400	5.51	850	1.67	0.25	0.30
2942	4.79	850	1.72	0.32	0.36	3507	4.21	850	1.28	0.25	0.32
2960	12.97	850	3.64	0.22	0.34	3515	4.30	850	1.25	0.24	0.30
3004	3.72	850	0.98	0.22	0.27	3516X	2.36	647	0.70	0.24	0.34
3018	6.89	850	2.07	0.25	0.29	3548	4.19	850	1.18	0.22	0.29
3022	5.20	850	1.72	0.29	0.34	3559	4.45	850	1.39	0.27	0.33
3027	5.09	850	1.78	0.31	0.35	3574	1.34	458	0.44	0.29	0.33
3028	6.29	850	2.08	0.29	0.36	3581	2.28	632	0.78	0.30	0.37
3030	9.86	850	2.39	0.19	0.24	3612	3.59	850	1.10	0.26	0.32
3040	11.34	850	3.07	0.23	0.35	3620	7.81	850	2.17	0.24	0.34
3041	5.77	850	1.84	0.27	0.34	3629	3.16	795	0.92	0.24	0.32
3042	5.33	850	1.58	0.24	0.35	3632	4.58	850	1.38	0.25	0.30
3064	5.33	850	1.68	0.27	0.33	3634	4.14	850	1.35	0.28	0.35
3066	7.87	850	2.37	0.25	0.33	3635	2.77	722	0.91	0.28	0.34
3076	4.66	850	1.55	0.29	0.33	3638	2.67	704	0.89	0.29	0.31
3081D	6.06	850	1.77	0.26	0.32	3642	1.78	539	0.54	0.25	0.30
3082D	7.30	850	2.17	0.27	0.35	3643	4.11	850	1.17	0.23	0.28
3085D	4.97	850	1.50	0.28	0.32	3647	3.77	850	1.31	0.31	0.35
3110	8.02	850	2.50	0.26	0.32	3648	3.02	769	1.01	0.30	0.36
3111	6.88	850	1.89	0.22	0.31	3681	2.10	599	0.68	0.28	0.32
3113	4.24	850	1.25	0.24	0.33	3685	1.94	569	0.59	0.26	0.33
3114	2.87	741	0.88	0.26	0.33	3719	9.71	850	2.23	0.18	0.29
3118	5.10	850	1.68	0.28	0.31	3724	10.15	850	2.55	0.20	0.25
3119	1.08	410	0.38	0.31	0.35	3726	13.19	850	2.79	0.17	0.23
3122	3.54	850	1.13	0.28	0.38	3803	9.36	850	2.70	0.23	0.27
3126	4.30	850	1.32	0.25	0.30	3807	4.65	850	1.63	0.31	0.32
3131	3.03	771	0.87	0.23	0.30	3808	4.45	850	1.34	0.25	0.31
3132	5.41	850	1.72	0.29	0.35	3821	7.25	850	1.96	0.23	0.30

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S3  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
3822X	6.19	850	2.13	0.30	0.36	4452	3.42	843	1.11	0.28	0.34
3824X	5.35	850	1.79	0.29	0.33	4459	4.78	850	1.44	0.25	0.32
3826	1.21	434	0.34	0.23	0.27	4470	2.33	641	0.67	0.25	0.30
3827	3.44	846	1.13	0.28	0.34	4484	3.90	850	1.20	0.26	0.31
3830	3.65	850	1.01	0.24	0.28	4493	7.69	850	2.33	0.26	0.44
3851	6.78	850	1.95	0.23	0.33	4511	0.95	386	0.30	0.27	0.30
3865	6.19	850	1.99	0.27	0.41	4557	3.52	850	1.17	0.29	0.37
3881	5.82	850	1.86	0.27	0.28	4558	2.41	656	0.72	0.25	0.27
4000	7.20	850	1.78	0.20	0.25	4561	3.44	846	0.83	0.20	0.23
4021	5.09	850	1.53	0.25	0.33	4568	2.49	671	0.67	0.23	0.30
4024E	8.39	850	2.39	0.26	0.43	4581	1.71	526	0.42	0.20	0.32
4034	10.32	850	2.73	0.22	0.30	4583	5.93	850	1.54	0.22	0.30
4036	4.79	850	1.30	0.23	0.33	4611	1.34	458	0.40	0.25	0.33
4038	6.78	850	2.50	0.33	0.40	4635	2.97	759	0.77	0.24	0.32
4053	2.61	693	0.82	0.27	0.40	4653	4.27	850	1.18	0.22	0.33
4061	7.11	850	2.26	0.27	0.32	4665	6.88	850	1.83	0.23	0.32
4062	3.19	800	1.01	0.27	0.35	4670	11.31	850	2.94	0.22	0.31
4101	4.61	850	1.51	0.31	0.38	4683	3.44	846	1.12	0.28	0.30
4111	3.13	789	1.07	0.30	0.36	4686	4.81	850	1.23	0.21	0.28
4112	1.87	556	0.58	0.26	0.31	4692	0.91	378	0.27	0.24	0.32
4113	2.97	759	0.88	0.25	0.31	4693	2.59	689	0.81	0.26	0.33
4114	6.57	850	1.99	0.25	0.29	4703	1.74	532	0.56	0.28	0.34
4130	7.38	850	2.27	0.26	0.35	4717	4.48	850	1.46	0.27	0.30
4131	5.07	850	1.77	0.31	0.37	4720	2.95	756	0.85	0.25	0.33
4133	6.94	850	2.11	0.25	0.29	4740	3.26	813	0.81	0.20	0.29
4150	1.83	549	0.59	0.27	0.35	4741	3.94	850	1.11	0.23	0.33
4206	6.01	850	1.61	0.20	0.26	4751	5.17	850	1.51	0.26	0.37
4207	1.63	512	0.54	0.29	0.29	4771N	4.08	850	1.00	0.22	0.29
4239	3.16	795	0.92	0.25	0.28	4777	7.56	850	2.19	0.25	0.27
4240	4.42	850	1.45	0.28	0.33	4825	1.56	499	0.48	0.27	0.32
4243	3.23	808	1.02	0.27	0.34	4828	2.66	702	0.71	0.23	0.29
4244	4.35	850	1.40	0.27	0.32	4829	2.66	702	0.67	0.22	0.23
4250	2.04	587	0.60	0.24	0.31	4902	7.17	850	2.19	0.25	0.30
4251	2.97	759	0.94	0.27	0.33	4923	1.66	517	0.49	0.24	0.29
4263	4.35	850	1.42	0.28	0.33	5020	10.50	850	2.95	0.24	0.26
4273	4.17	850	1.34	0.28	0.37	5022	11.02	850	2.84	0.21	0.28
4279	5.64	850	1.82	0.28	0.37	5037	47.30	850	10.98	0.20	0.27
4282	2.58	687	0.90	0.31	0.31	5040	38.13	850	7.51	0.15	0.19
4283	12.39	850	3.14	0.19	0.30	5057	21.61	850	4.48	0.16	0.20
4299	2.72	713	0.84	0.26	0.31	5059	40.29	850	9.02	0.19	0.23
4301X	2.23	623	0.61	0.21	0.27	5069	49.58	850	12.25	0.20	0.29
4304	5.48	850	1.75	0.28	0.39	5102	8.44	850	2.21	0.22	0.27
4307	3.19	800	1.12	0.31	0.38	5146	8.10	850	1.99	0.20	0.26
4308	1.97	574	0.71	0.32	0.36	5160	7.99	850	1.87	0.18	0.22
4351	1.22	436	0.40	0.28	0.34	5183	7.55	850	1.92	0.21	0.26
4352	2.97	759	0.88	0.25	0.37	5188	8.80	850	2.40	0.23	0.28
4360	2.36	647	0.76	0.27	0.37	5190	8.46	850	2.19	0.21	0.27
4361	1.48	484	0.46	0.26	0.34	5191	1.74	532	0.45	0.21	0.25
4362	1.32	454	0.39	0.27	0.38	5192	6.63	850	1.87	0.22	0.30
4410	5.87	850	1.80	0.26	0.29	5213	13.68	850	3.47	0.21	0.29
4417X	1.32	454	0.45	0.30	0.37	5215	9.60	850	2.78	0.23	0.25
4420	5.64	850	1.54	0.23	0.25	5221	6.88	850	1.83	0.22	0.28
4431	3.05	774	0.93	0.25	0.34	5222	19.59	850	4.50	0.20	0.26
4432	2.54	680	0.86	0.29	0.35	5223	13.79	850	3.62	0.22	0.30
4439	3.00	765	0.84	0.25	0.34	5348	7.12	850	1.84	0.21	0.23

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S4  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
5402	8.41	850	2.24	0.20	0.26	6824F	6.86	850	1.61	0.18	0.26
5403	17.96	850	4.63	0.21	0.27	6826F	17.54	850	3.95	0.16	0.28
5437	10.46	850	2.99	0.25	0.28	6834	7.12	850	2.26	0.30	0.42
5443	6.59	850	1.79	0.21	0.27	6836	4.94	850	1.51	0.27	0.32
5445	12.52	850	3.28	0.22	0.26	6843F	27.27	850	6.42	0.17	0.27
5462	9.47	850	2.64	0.24	0.27	6845F	20.51	850	4.83	0.18	0.25
5472	9.00	850	2.35	0.22	0.28	6854	7.91	850	1.90	0.21	0.27
5473	7.51	850	1.92	0.21	0.24	6872F	44.96	850	10.66	0.19	0.31
5474	10.01	850	2.60	0.22	0.28	6874F	37.86	850	9.29	0.18	0.28
5478	7.61	850	1.91	0.20	0.25	6882	8.85	850	1.91	0.19	0.22
5479	13.66	850	3.75	0.23	0.29	6884	18.24	850	3.93	0.18	0.16
5480	16.37	850	4.39	0.22	0.26	7016M	39.27	850	8.99	0.20	0.29
5491	5.56	850	1.41	0.21	0.24	7024M	43.64	850	10.00	0.20	0.29
5506	7.95	850	2.00	0.20	0.24	7038M	17.73	850	4.02	0.19	0.22
5507	5.57	850	1.32	0.18	0.22	7046M	14.18	850	4.56	0.30	0.36
5508	15.31	850	3.11	0.14	0.18	7047M	74.93	850	14.98	0.20	0.29
5536	10.68	850	2.75	0.21	0.26	7050M	31.13	850	6.70	0.19	0.22
5538	10.87	850	2.95	0.23	0.29	7090M	19.71	850	4.47	0.19	0.22
5551	27.99	850	7.23	0.22	0.30	7098M	15.76	850	5.07	0.30	0.36
5606	3.88	850	0.98	0.21	0.26	7099M	23.77	850	7.59	0.30	0.36
5610	6.60	850	1.99	0.25	0.29	7133	4.97	850	1.19	0.19	0.24
5645	20.38	850	5.21	0.21	0.30	7151M	6.05	850	1.44	0.19	0.24
5651	14.25	850	3.77	0.22	0.28	7152M	11.52	850	2.41	0.19	0.24
5703	39.25	850	9.18	0.18	0.25	7153M	6.72	850	1.60	0.19	0.24
5705	6.29	850	1.50	0.19	0.22	7222	21.52	850	4.32	0.15	0.16
5951	0.60	321	0.18	0.25	0.33	7228	10.02	850	2.60	0.21	0.21
6003	18.79	850	5.00	0.22	0.29	7229	15.73	850	3.68	0.18	0.19
6005	12.65	850	3.15	0.20	0.27	7230	9.16	850	2.28	0.20	0.23
6017X	7.51	850	1.73	0.17	0.19	7231	11.36	850	3.37	0.26	0.33
6018X	6.62	850	1.97	0.26	0.23	7232	8.38	850	2.11	0.20	0.23
6045	9.83	850	2.20	0.17	0.27	7309F	43.08	850	10.57	0.18	0.22
6204	15.62	850	4.07	0.22	0.26	7313F	8.77	850	2.06	0.17	0.25
6206	4.52	850	1.05	0.20	0.25	7317F	18.24	850	4.41	0.19	0.27
6213	8.22	850	1.87	0.17	0.25	7323FN	7.32	850	1.70	0.11	0.09
6214	6.19	850	1.57	0.21	0.27	7327F	27.63	850	6.70	0.16	0.19
6216	8.57	850	2.12	0.20	0.28	7333M	10.07	850	2.08	0.16	0.21
6217	8.61	850	2.22	0.21	0.27	7335M	11.20	850	2.31	0.16	0.21
6229	7.66	850	2.10	0.21	0.30	7337M	17.43	850	3.46	0.16	0.21
6233	17.96	850	3.98	0.16	0.22	7350F	17.98	850	4.57	0.20	0.21
6235	20.46	850	4.81	0.18	0.23	7360	8.08	850	2.55	0.29	0.35
6236	50.89	850	11.70	0.18	0.30	7370	8.49	850	2.51	0.25	0.36
6237	4.65	850	1.16	0.20	0.26	7380	6.73	850	1.83	0.23	0.28
6251D	17.18	850	3.43	0.16	0.19	7382	7.45	850	2.20	0.26	0.33
6252D	12.13	850	2.42	0.16	0.23	7390	7.17	850	2.05	0.25	0.33
6260	12.63	850	2.57	0.16	0.21	7394M	37.05	850	7.42	0.16	0.25
6306	14.03	850	3.39	0.19	0.27	7395M	41.16	850	8.25	0.16	0.25
6319	8.97	850	2.23	0.20	0.29	7398M	70.67	850	12.36	0.16	0.25
6325	15.66	850	4.24	0.23	0.34	7403	2.62	695	0.83	0.27	0.33
6400	11.61	850	3.63	0.27	0.34	7405N	1.09	478	0.29	0.22	0.27
6504	3.47	850	1.04	0.25	0.33	7409	28.20	850	4.57	0.10	0.14
6702M*	17.62	850	4.26	0.19	0.26	7420	21.14	850	3.58	0.12	0.17
6703M*	33.63	850	7.10	0.19	0.26	7421	3.41	841	0.80	0.18	0.23
6704M*	19.59	850	4.73	0.19	0.26	7422	5.35	850	0.95	0.12	0.14
6801F	5.00	850	1.36	0.21	0.34	7423	3.91	850	1.04	0.22	0.26
6811	4.22	850	1.08	0.21	0.24	7425	26.76	850	4.28	0.10	0.14

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S5  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
7431N	6.21	850	1.15	0.14	0.17	8227	5.56	850	1.52	0.23	0.26
7445N	0.36	—	—	—	—	8232	7.01	850	1.98	0.25	0.32
7453N	2.07	—	—	—	—	8233	14.36	850	3.09	0.15	0.17
7502	5.07	850	1.28	0.21	0.30	8235	5.44	850	1.68	0.26	0.30
7515	2.31	637	0.55	0.22	0.37	8236X	6.98	850	1.74	0.20	0.24
7520	3.78	850	1.06	0.24	0.30	8263	8.54	850	2.57	0.25	0.35
7529X	12.24	850	2.35	0.15	0.21	8264	6.42	850	2.03	0.27	0.33
7538	17.70	850	3.96	0.19	0.22	8265	6.57	850	1.87	0.25	0.29
7539	4.32	850	1.10	0.21	0.33	8279	7.99	850	2.58	0.28	0.38
7540	4.99	850	1.25	0.23	0.30	8288	7.04	850	2.22	0.27	0.37
7580	3.59	850	0.99	0.24	0.30	8291	6.10	850	2.06	0.30	0.36
7590	6.72	850	1.89	0.22	0.30	8292	4.50	850	1.46	0.28	0.34
7600	3.46	850	0.94	0.23	0.27	8293	10.27	850	3.03	0.24	0.26
7601	9.86	850	2.56	0.22	0.29	8304	8.20	850	2.03	0.20	0.29
7605	4.96	850	1.37	0.25	0.40	8350	6.55	850	1.64	0.20	0.23
7610	0.78	354	0.23	0.26	0.31	8380	4.87	850	1.33	0.23	0.30
7611	11.88	850	3.11	0.22	0.28	8381	2.31	637	0.72	0.26	0.32
7612	15.03	850	3.22	0.18	0.19	8385	3.75	850	1.07	0.25	0.30
7613	4.91	850	1.23	0.20	0.24	8392	3.59	850	1.24	0.31	0.35
7704	14.21	850	3.68	0.21	0.27	8393	3.00	765	0.82	0.23	0.26
7720X	3.16	795	0.88	0.24	0.29	8500	14.88	850	4.11	0.25	0.50
7723X	3.15	793	0.83	0.24	0.32	8601	1.12	417	0.31	0.23	0.29
7855	14.51	850	3.51	0.19	0.26	8606	5.97	850	1.71	0.25	0.29
8001	2.28	632	0.75	0.28	0.34	8709F	7.78	850	1.91	0.19	0.24
8002	2.53	678	0.83	0.29	0.40	8710	4.27	850	0.95	0.17	0.34
8006	4.06	850	1.20	0.24	0.31	8719	4.43	850	1.13	0.21	0.29
8008	2.17	611	0.69	0.27	0.36	8720	1.96	573	0.53	0.23	0.28
8010	2.54	680	0.81	0.27	0.35	8721	0.57	315	0.15	0.22	0.29
8013	0.72	343	0.22	0.26	0.33	8726F	6.76	850	1.54	0.16	0.25
8015	1.03	401	0.33	0.28	0.33	8734M	1.06	406	0.30	0.23	0.29
8017	2.30	636	0.75	0.28	0.39	8737M	0.95	386	0.27	0.23	0.29
8018	4.03	850	1.27	0.27	0.34	8738M	1.81	545	0.42	0.23	0.29
8021	2.93	752	0.84	0.23	0.29	8742	0.78	354	0.21	0.23	0.29
8031	2.77	722	0.92	0.29	0.36	8745	6.55	850	1.73	0.20	0.31
8032	2.23	623	0.75	0.30	0.38	8748	0.95	386	0.25	0.22	0.28
8033	3.11	785	1.01	0.28	0.36	8755	0.57	315	0.15	0.22	0.28
8039	2.36	647	0.77	0.28	0.36	8800	2.00	580	0.64	0.26	0.35
8044	3.83	850	1.18	0.26	0.33	8803	0.18	243	0.05	0.24	0.33
8045	1.76	536	0.54	0.26	0.35	8805M	0.52	306	0.16	0.25	0.32
8046	2.43	660	0.78	0.28	0.36	8810	0.39	282	0.12	0.25	0.32
8047	1.83	549	0.60	0.29	0.38	8814M	0.47	297	0.15	0.25	0.32
8050	1.29	449	0.42	0.28	0.32	8815M	0.90	377	0.24	0.25	0.32
8058	2.79	726	0.88	0.27	0.35	8820	0.42	288	0.12	0.25	0.31
8072	2.38	650	0.81	0.30	0.37	8824	4.04	850	1.31	0.28	0.35
8102	2.43	660	0.76	0.26	0.32	8825	2.38	650	0.82	0.30	0.37
8103	3.10	784	1.02	0.28	0.33	8826	2.77	722	0.91	0.28	0.37
8105	5.93	850	1.60	0.21	0.29	8831	1.89	560	0.60	0.27	0.41
8106	8.31	850	2.44	0.26	0.32	8832	0.44	291	0.13	0.25	0.28
8107	5.82	850	1.58	0.23	0.29	8833*	1.60	506	0.49	0.26	0.32
8111	4.35	850	1.35	0.26	0.31	8835	3.60	850	1.09	0.25	0.32
8116	4.01	850	1.26	0.27	0.31	8837Xa	a	a	a	a	a
8203	7.56	850	2.27	0.25	0.31	8848X	3.60	850	1.17	0.28	0.36
8204	13.89	850	3.24	0.18	0.25	8849X	3.19	800	1.02	0.28	0.34
8209	4.65	850	1.39	0.25	0.33	8868	0.67	334	0.22	0.29	0.41
8215	4.21	850	1.19	0.25	0.32	8869	0.85	367	0.29	0.31	0.42

\* Refer to the Footnotes Page for additional information on this class code.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY**

**NORTH CAROLINA**

**Page S6  
Exhibit III**

*Effective April 1, 2002*

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
8871	0.49	301	0.15	0.27	0.33						
8901	0.29	264	0.08	0.24	0.31						
9012	1.37	463	0.45	0.30	0.33						
9014	4.29	850	1.29	0.25	0.30						
9015	4.24	850	1.15	0.23	0.31						
9016	4.60	850	1.41	0.26	0.40						
9019	2.75	719	0.84	0.27	0.33						
9033	2.58	687	0.80	0.26	0.28						
9040*	4.24	850	1.33	0.27	0.33						
9044	3.68	850	1.28	0.31	0.41						
9052	3.33	826	1.07	0.28	0.36						
9058	2.25	626	0.76	0.30	0.37						
9059	3.55	850	1.19	0.29	0.37						
9060	2.14	606	0.69	0.28	0.37						
9061	2.38	650	0.76	0.27	0.35						
9062	2.36	647	0.73	0.26	0.34						
9063	1.50	488	0.46	0.29	0.42						
9077F	2.18	613	0.62	0.26	0.31						
9082	2.67	704	0.88	0.29	0.39						
9083	2.43	660	0.83	0.30	0.39						
9084	3.05	774	1.02	0.29	0.43						
9089	1.83	549	0.50	0.22	0.28						
9093	1.84	550	0.62	0.29	0.40						
9101	3.59	850	1.14	0.27	0.37						
9102	4.71	850	1.46	0.26	0.36						
9154	2.22	621	0.66	0.26	0.34						
9156	2.54	680	0.74	0.24	0.34						
9178	16.51	850	5.91	0.33	0.45						
9179	43.21	850	12.21	0.23	0.34						
9180	6.47	850	2.02	0.27	0.42						
9182	2.54	680	0.86	0.30	0.43						
9186	22.95	850	5.60	0.19	0.21						
9220	9.86	850	3.14	0.28	0.48						
9402	9.75	850	2.31	0.18	0.21						
9403	12.81	850	3.40	0.23	0.34						
9410	3.93	850	1.07	0.22	0.36						
9501	4.21	850	1.26	0.25	0.34						
9505	4.56	850	1.41	0.26	0.27						
9516	3.06	776	0.83	0.23	0.27						
9519	3.80	850	1.03	0.23	0.27						
9521	7.61	850	1.91	0.20	0.25						
9522	2.23	623	0.69	0.26	0.30						
9534	11.23	850	2.59	0.18	0.24						
9554	19.89	850	4.94	0.21	0.32						
9586	1.03	401	0.33	0.27	0.27						
9600	3.26	813	0.87	0.21	0.33						
9620	1.19	430	0.34	0.25	0.32						

\* Refer to the Footnotes Page for additional information on this class code.

Effective April 1, 2002

**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

**FOOTNOTES**

- a Rate for each individual risk must be obtained by Home Office from Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Special disease rule for the classification—See Rule 3-A-7.
- E Classification involving specific disease loading. Refer to Home Office for amount.

			<b>Asb=Asbestos S=Silica</b>			
<b>Code No.</b>	<b>Specific Disease Loadings</b>	<b>Disease Symbol</b>	<b>Code No.</b>	<b>Specific Disease Loadings</b>	<b>Disease Symbol</b>	
0059D	0.62	S	1852D	0.15	S	
0065D	0.11	S	3081D	0.11	S	
0066D	0.11	S	3082D	0.11	S	
0067D	0.11	S	3085D	0.10	S	
1165XE	0.07	S	4024E	0.08	S	
1624E	0.03	S	6251D	0.10	S	
1741E	0.70	S	6252D	0.10	S	
1803D	0.85	Asb				

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL&HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

<u><b>Class Code</b></u>	<u><b>Non-Ratable Element Code</b></u>	<u><b>Class Code</b></u>	<u><b>Non-Ratable Element Code</b></u>
4771	0771	7405	7445
7323F	0763F	7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

**Class Codes with Specific Footnotes**

- 1005 Rate includes a non-ratable disease element of \$7.69. (For coverage written separately for federal benefits only, \$2.92. For coverage written separately for state benefits only, \$4.77).
- 2705 An upset payroll of \$4.00 per cord shall be used for premium computation purposes in all instances.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.318 and elr x 2.022.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.
- 8833 The ex-medical rate for this classification is \$1.09.
- 9040 The ex-medical rate for this classification is \$2.84.

**WORKERS COMPENSATION AND EMPLOYERS LIABILITY****NORTH CAROLINA****Effective April 1, 2002  
APPLICABLE TO ASSIGNED RISK POLICIES ONLY****EXHIBIT III****MISCELLANEOUS VALUES**

Basis of premium applicable in accordance with the footnote instructions for Code 7370 --

"Taxicab Co.":

Employee operated vehicle	\$43,790.00
Leased or rented vehicle	\$29,193.00

Expense Constant applicable in accordance with Basic Manual Rule 3-A-11	\$210.00
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Loss Sensitive Rating Plan (LSRP) - The factors which are used in the calculation of the LSRP are as follows:

Minimum Premium Factor	0.75
Maximum Premium Factor	1.75
Loss Conversion Factor	1.155
Tax Multiplier	1.031
LSRP Development Factors	
1st Adjustment	0.25
2nd Adjustment	0.16
3rd Adjustment	0.12
4th Adjustment	0.00

Maximum Payroll applicable in accordance with Basic Manual Rule 2-E-1 --

"Executive Officers of a corporation" and the footnote instructions for Code 9178 --

"Athletic Team: Non-Contact Sports," Code 9179 -- "Athletic Team: Contact Sports," and Code 9186 -- "Carnival--Traveling"

\$1,100.00

Minimum Payroll applicable in accordance with Basic Manual Rule 2-E-1 -- "Executive Officers"	\$281.00
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Per Passenger Seat Surcharge - In accordance with the footnote instructions for classification Code 7421, the surcharge is

maximum surcharge per aircraft	\$1,000.00
per passenger seat	\$100.00

Effective April 1, 2002  
**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

**MISCELLANEOUS VALUES**

Premium Determination for Partners and Sole Proprietors in accordance with  
 Basic Manual Rule 2-E-3 \$29,500.00

Premium Reduction Percentages - The following percentages are applicable by deductible  
 amount and hazard group for total losses on a per claim basis:

	HAZARD GROUP			
	I	II	III	IV
Percentage premium reduction for employers electing a \$100 deductible	0.9%	0.9%	0.6%	0.3%
Percentage premium reduction for employers electing a \$200 deductible	1.7%	1.6%	0.9%	0.7%
Percentage premium reduction for employers electing a \$300 deductible	2.5%	2.4%	1.4%	0.9%
Percentage premium reduction for employers electing a \$400 deductible	3.0%	2.8%	1.7%	1.2%
Percentage premium reduction for employers electing a \$500 deductible	3.5%	3.3%	1.9%	1.3%
Percentage premium reduction for employers electing a \$1,000 deductible	4.8%	4.5%	2.7%	1.9%
Percentage premium reduction for employers electing a \$1,500 deductible	5.6%	5.3%	3.3%	2.3%
Percentage premium reduction for employers electing a \$2,000 deductible	6.3%	5.9%	3.6%	2.6%
Percentage premium reduction for employers electing a \$2,500 deductible	6.9%	6.5%	4.0%	2.9%
Percentage premium reduction for employers electing a \$5,000 deductible	9.8%	9.0%	5.7%	4.1%

United States Longshore and Harbor Workers' Compensation Coverage Percentage  
 applicable only in connection with Basic Manual Rule 3-A-4 95%

(Multiply a Non-"F" classification rate by a factor of 1.95 to adjust for differences in  
 benefits (1.64) and differences in loss-based expenses (1.191)).

Effective April 1, 2002

Exhibit III

TABLE OF WEIGHTING VALUES  
APPLICABLE TO ALL POLICIES

Expected Losses		Weighting Values	Expected Losses		Weighting Values
0 --	869	0.04	490,070 --	517,101	0.44
870 --	3,513	0.05	517,102 --	545,698	0.45
3,514 --	6,213	0.06	545,699 --	576,001	0.46
6,214 --	8,972	0.07	576,002 --	608,166	0.47
8,973 --	11,792	0.08	608,167 --	642,372	0.48
11,793 --	19,723	0.09	642,373 --	678,819	0.49
19,724 --	29,359	0.10	678,820 --	717,735	0.50
29,360 --	37,930	0.11	717,736 --	759,381	0.51
37,931 --	46,275	0.12	759,382 --	804,053	0.52
46,276 --	54,622	0.13	804,054 --	852,096	0.53
54,623 --	63,071	0.14	852,097 --	903,905	0.54
63,072 --	71,680	0.15	903,906 --	959,943	0.55
71,681 --	80,488	0.16	959,944 --	1,020,747	0.56
80,489 --	89,524	0.17	1,020,748 --	1,086,956	0.57
89,525 --	98,813	0.18	1,086,957 --	1,159,321	0.58
98,814 --	108,376	0.19	1,159,322 --	1,238,746	0.59
108,377 --	118,234	0.20	1,238,747 --	1,326,315	0.60
118,235 --	128,408	0.21	1,326,316 --	1,423,349	0.61
128,409 --	138,918	0.22	1,423,350 --	1,531,472	0.62
138,919 --	149,784	0.23	1,531,473 --	1,652,700	0.63
149,785 --	161,029	0.24	1,652,701 --	1,789,568	0.64
161,030 --	172,676	0.25	1,789,569 --	1,945,313	0.65
172,677 --	184,747	0.26	1,945,314 --	2,124,130	0.66
184,748 --	197,270	0.27	2,124,131 --	2,331,556	0.67
197,271 --	210,272	0.28	2,331,557 --	2,575,054	0.68
210,273 --	223,782	0.29	2,575,055 --	2,864,932	0.69
223,783 --	237,831	0.30	2,864,933 --	3,215,835	0.70
237,832 --	252,455	0.31	3,215,836 --	3,649,301	0.71
252,456 --	267,689	0.32	3,649,302 --	4,198,356	0.72
267,690 --	283,573	0.33	4,198,357 --	4,916,349	0.73
283,574 --	300,152	0.34	4,916,350 --	5,895,428	0.74
300,153 --	317,472	0.35	5,895,429 --	7,309,651	0.75
317,473 --	335,584	0.36	7,309,652 --	9,531,997	0.76
335,585 --	354,546	0.37	9,531,998 --	13,532,214	0.77
354,547 --	374,418	0.38	13,532,215 --	22,866,048	0.78
374,419 --	395,268	0.39	22,866,049 --	69,535,192	0.79
395,269 --	417,172	0.40	69,535,193	AND OVER	0.80
417,173 --	440,211	0.41			
440,212 --	464,476	0.42			
464,477 --	490,069	0.43			

(a) State Per Claim Accident Limitation . . . . .	\$103,500
(b) State Multiple Claim Accident Limitation . . . . .	\$207,000
(c) USL&HW Per Claim Accident Limitation . . . . .	\$233,500
(d) USL&HW Multiple Claim Accident Limitation . . . . .	\$467,000
(e) Employers Liability Accident Limitation . . . . .	\$55,000
(f) USL&HW Act -- Expected Loss Factor -- Non-F Classes . . . . .	66%

Cap on Modifications = 1 + (0.00005)((Expected Losses) + (2)(Expected Losses)/(4.15))

Effective April 1, 2002

Exhibit III

**TABLE OF BALLAST VALUES  
APPLICABLE TO ALL POLICIES**

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 22,322	10,375	716,295 -- 737,032	83,000	1,442,334 -- 1,463,080	155,625
22,323 -- 38,418	12,450	737,033 -- 757,771	85,075	1,463,081 -- 1,483,827	157,700
38,419 -- 56,913	14,525	757,772 -- 778,510	87,150	1,483,828 -- 1,504,574	159,775
56,914 -- 76,424	16,600	778,511 -- 799,250	89,225	1,504,575 -- 1,525,322	161,850
76,425 -- 96,409	18,675	799,251 -- 819,991	91,300	1,525,323 -- 1,546,069	163,925
96,410 -- 116,646	20,750	819,992 -- 840,732	93,375	1,546,070 -- 1,566,817	166,000
116,647 -- 137,028	22,825	840,733 -- 861,473	95,450	1,566,818 -- 1,587,564	168,075
137,029 -- 157,503	24,900	861,474 -- 882,215	97,525	1,587,565 -- 1,608,312	170,150
157,504 -- 178,040	26,975	882,216 -- 902,957	99,600	1,608,313 -- 1,629,059	172,225
178,041 -- 198,620	29,050	902,958 -- 923,700	101,675	1,629,060 -- 1,649,807	174,300
198,621 -- 219,231	31,125	923,701 -- 944,443	103,750	1,649,808 -- 1,670,555	176,375
219,232 -- 239,866	33,200	944,444 -- 965,186	105,825	1,670,556 -- 1,691,302	178,450
239,867 -- 260,519	35,275	965,187 -- 985,929	107,900	1,691,303 -- 1,712,050	180,525
260,520 -- 281,185	37,350	985,930 -- 1,006,673	109,975	1,712,051 -- 1,732,798	182,600
281,186 -- 301,863	39,425	1,006,674 -- 1,027,417	112,050	1,732,799 -- 1,753,546	184,675
301,864 -- 322,551	41,500	1,027,418 -- 1,048,161	114,125	1,753,547 -- 1,774,294	186,750
322,552 -- 343,245	43,575	1,048,162 -- 1,068,906	116,200	1,774,295 -- 1,795,042	188,825
343,246 -- 363,946	45,650	1,068,907 -- 1,089,650	118,275	1,795,043 -- 1,815,790	190,900
363,947 -- 384,652	47,725	1,089,651 -- 1,110,395	120,350	1,815,791 -- 1,836,538	192,975
384,653 -- 405,363	49,800	1,110,396 -- 1,131,140	122,425	1,836,539 -- 1,857,287	195,050
405,364 -- 426,077	51,875	1,131,141 -- 1,151,885	124,500	1,857,288 -- 1,878,035	197,125
426,078 -- 446,795	53,950	1,151,886 -- 1,172,631	126,575	1,878,036 -- 1,898,783	199,200
446,796 -- 467,515	56,025	1,172,632 -- 1,193,376	128,650	1,898,784 -- 1,919,531	201,275
467,516 -- 488,238	58,100	1,193,377 -- 1,214,122	130,725	1,919,532 -- 1,940,280	203,350
488,239 -- 508,963	60,175	1,214,123 -- 1,234,868	132,800	1,940,281 -- 1,961,028	205,425
508,964 -- 529,690	62,250	1,234,869 -- 1,255,614	134,875	1,961,029 -- 1,981,625	207,500
529,691 -- 550,419	64,325	1,255,615 -- 1,276,360	136,950		
550,420 -- 571,150	66,400	1,276,361 -- 1,297,106	139,025		
571,151 -- 591,881	68,475	1,297,107 -- 1,317,853	141,100		
591,882 -- 612,614	70,550	1,317,854 -- 1,338,599	143,175		
612,615 -- 633,348	72,625	1,338,600 -- 1,359,346	145,250		
633,349 -- 654,083	74,700	1,359,347 -- 1,380,092	147,325		
654,084 -- 674,819	76,775	1,380,093 -- 1,400,839	149,400		
674,820 -- 695,556	78,850	1,400,840 -- 1,421,586	151,475		
695,557 -- 716,294	80,925	1,421,587 -- 1,442,333	153,550		

For Expected Losses greater than \$1,981,625, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(4.15) / (\text{Expected Losses} + (700)(4.15))$$

$$\text{Cap on Modifications} = 1 + (0.00005)((\text{Expected Losses}) + (2)(\text{Expected Losses})/(4.15))$$

**RETROSPECTIVE RATING PLAN MANUAL  
STATE SPECIAL RATING VALUES**

**NORTH CAROLINA  
RR 1  
Exhibit III**

*Effective April 1, 2002*  
**APPLICABLE TO ASSIGNED RISK POLICIES ONLY**

<p>1. <b>Hazard Group Differentials</b></p> <table border="1"> <thead> <tr> <th>I</th> <th>II</th> <th>III</th> <th>IV</th> </tr> </thead> <tbody> <tr> <td>1.06</td> <td>0.94</td> <td>0.58</td> <td>0.39</td> </tr> </tbody> </table>	I	II	III	IV	1.06	0.94	0.58	0.39	<p>2. <b>Tax Multipliers</b></p> <p>a. State (non-F Classes) 1.031</p> <p>b. Federal Classes, or non-F classes where rate is increased by the USL&amp;HW Act Percentage 1.160</p>
I	II	III	IV						
1.06	0.94	0.58	0.39						
<p>3. <b>Expected Loss Ratio</b> 0.6925</p> <p><b>Expected Loss and Allocated Expense Ratio</b> 0.7486</p>	<p>4. <b>Tables of Expense Ratios</b> 0.277</p> <p><b>Tables of Expense Ratios Loaded for ALAE Option</b> 0.221</p>								

5. **2001 Table of Expected Loss Ranges**  
Effective July 1, 2001

6. **Excess Loss Factors** (Applicable to New and Renewal Policies)

**Excess Loss and Allocated Expense Factors** (Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups				Hazard Groups			
	I	II	III	IV	I	II	III	IV
\$25,000	0.412	0.437	0.517	0.560	0.463	0.491	0.576	0.620
\$30,000	0.387	0.413	0.497	0.545	0.436	0.466	0.553	0.605
\$35,000	0.366	0.393	0.481	0.533	0.418	0.448	0.539	0.592
\$40,000	0.347	0.375	0.464	0.517	0.398	0.429	0.525	0.580
\$50,000	0.316	0.346	0.438	0.495	0.367	0.400	0.496	0.553
\$75,000	0.263	0.296	0.388	0.446	0.313	0.348	0.448	0.509
\$100,000	0.229	0.258	0.350	0.405	0.272	0.308	0.406	0.469
\$125,000	0.204	0.233	0.317	0.375	0.245	0.281	0.376	0.435
\$150,000	0.184	0.211	0.292	0.346	0.225	0.259	0.347	0.406
\$175,000	0.168	0.195	0.272	0.321	0.207	0.239	0.324	0.379
\$200,000	0.157	0.181	0.253	0.303	0.194	0.224	0.306	0.357
\$250,000	0.137	0.160	0.225	0.269	0.171	0.198	0.271	0.321
\$300,000	0.123	0.144	0.203	0.242	0.153	0.179	0.246	0.290
\$500,000	0.091	0.107	0.150	0.178	0.115	0.133	0.182	0.215
\$1,000,000	0.061	0.071	0.098	0.116	0.076	0.088	0.120	0.140
\$2,000,000	0.041	0.047	0.065	0.075	0.050	0.058	0.079	0.091
\$5,000,000	0.024	0.028	0.038	0.044	0.030	0.034	0.046	0.053

7. **Retrospective Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.09	0.06	0.05	0.25	0.16	0.12	0.00

8. **State Special Classifications by Hazard Group**

Code No.	HG	Code No.	HG	Code No.	HG	Code No.	HG
1473	III	2727	III	4301	II	8236	III
1474	III	2791	I	4417	II	8837	II
2705	III	2797	II	7529	IV	8848	II
2706	III	3516	II	7723	IV	8849	II