



March 7, 2007

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: ASSIGNED RISK TAKE-OUT CREDIT PROGRAM – CALENDAR YEAR 2006

Dear Carriers:

North Carolina's Assigned Risk Take-Out Credit Program is designed to encourage insurers to depopulate the residual market. This is accomplished by providing a "credit" to insurers for premium moved from the residual market to the voluntary market. These "credits" are applied to the voluntary premium that is used as the basis for calculating the insurers Pool participation base.

North Carolina's Take-Out Credit Program has been revised for calendar year 2006. In order to receive consideration for credits under the Take-Out Credit Program for calendar year 2006 you must notify the North Carolina Rate Bureau of your intent to participate in the program no later than March 31, 2007. Requests to participate received after that date will not be considered.

Upon notification of your intent to participate the following events will occur:

1. You will receive a Take-Out Credit Report showing all policies that appear in our database as eligible for 2006 Take-Out Credit.
2. You should review this report for accuracy.
3. After your review you must email the report along with all revisions to Betty G. Hurst at bgh@ncrb.org no later than **April 26, 2007**.
4. We will review all report revisions and contact you if we have any questions.
5. You will receive an email stating the final total of all credits that will be applied for calendar year 2006.

Your contact for the North Carolina 2006 Take-Out Credit Program is Betty G. Hurst at bgh@ncrb.org.

Sincerely,

Sue Taylor

Director, Workers Compensation

ST:dg

C-07-6