



April 24, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

A-Rate Transition Program

Circular Letter C-07-4 announced the Bureau's adoption of NCCI Item 01-NC-2006. This filing changed the way in which charitable organizations currently assigned to Class Code 8837 are rated. This filing established the following:

- Effective October 1, 2007, the A-Rate transition period will begin for all new and renewal business currently assigned to Class Code 8837.
- Effective October 1, 2009, this transition period will end.
- Effective October 1, 2009, Class Code 8837 will be retired and no longer available for use on policies issued with an effective date on or after October 1, 2009.

The circular further detailed that all risks previously rated as Class Code 8837 will be reviewed by Rate Bureau staff and rated as either newly established Class Code 8842 Group Homes – All Employees & Salespersons, Drivers; 8864 Social Services Organization - All Employees & Salespersons, Drivers; or a more appropriate class code based on the operations of the insured. The values for these newly established codes effective October 1, 2009 are as follows:

Class Code	Assigned Risk Rate	Loss Cost	ELR	D. Ratio	Ex-Med
8842	4.17	2.30	1.20	0.16	0.35
8864	4.17	2.30	1.20	0.16	0.35

The Bureau staff has for the past several months been reviewing the business operations of all risks assigned to Class Code 8837 during the transition period. To assist the carriers with timely issuance of renewal quotes for these risks, in May 2009 the Bureau will begin providing to the current carrier of record information regarding what we believe to be the appropriate class code for each of these risks. This information will be provided in report form using an EXCEL worksheet format. The timetable for reporting this information to the carrier is as follows:

Policies effective 10/01/2009 – 12/31/2009 will be reported in May 2009
 Policies effective 01/01/2010 – 03/31/2010 will be reported in June 2009
 Policies effective 04/01/2010 – 06/30/2010 will be reported in July 2009
 Policies effective 07/01/2010 – 09/30/2010 will be reported in August 2009

All information will be sent to the Underwriting Department contact that we have on file. Should you desire that this information be provided to another contact in your organization, please email the contact information to our Information Center at wcinfo@ncrb.org. To ensure that your request is directed to the appropriate person in our organization, please label your request "A-Rate Project Carrier Contact" in the email subject line.

If you have any questions, please contact the Information Center at 919-582-1056 or wcinfo@ncrb.org.

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dg

C-09-12