

NORTH CAROLINA RATE BUREAU

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November 30, 1994

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Item R-1304 - 1994 Update to Expected Loss Size Ranges for Entry into the Table of Insurance Charges and Update to Retrospective Rating State and Hazard Group Relativities

The Bureau has adopted and the North Carolina Department of Insurance has approved a proposal to update the Retrospective Rating Plan for the effect of loss size inflation.

The enclosed Filing Memorandum, appendix and exhibits describe (i) changes in the Table of Expected Loss Ranges, (ii) updated North Carolina hazard group differentials and (iii) the introduction of state specific Tables of Compensation Expense Ratios and Tables of Compensation Expense Ratios for ALAE Option.

Changes proposed by the captioned Item have been approved effective January 1, 1995, applicable to new and renewal business.

Reprinted Retrospective Rating Plan Manual pages will be distributed in the usual manner.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:lm

Enclosures (Attachments Not Included)

C-94-18