

**NORTH CAROLINA RATE BUREAU**

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June 21, 1996

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item E-1315(NC) - Graduated Experience Rating

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved changes to the experience rating plan formula that will (i) index the minimum ballast value to state benefits and inflation; (ii) provide a lower weighting value for smaller insureds and (iii) introduce a formula for limiting the maximum experience modification for each insured.

Changes in the experience rating plan formula will primarily impact only small insureds. The revised formula reduces the weight and increases the ballast for small insureds and thus, gives less credibility to the small insureds= experience.

Changes proposed by the captioned Item have been approved to be applicable to experience ratings effective on and after October 1, 1996.

A copy of the Filing Memorandum, which includes the revised Tables of Weighting Values and Ballast Values, is attached.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:lm

Enclosure (Attachments Not Included)

C-96-13