

NORTH CAROLINA WORKERS COMPENSATION PREMIUM ALGORITHM

(Effective 01 April 2024)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line. [*]

PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
MANUAL PREMIUM	[(PAYROLL / 100) * RATE]	
+ USL&H Exposure for non-F classification codes	[(SUBJECT PAYROLL / 100) * (RATE * USL&H FACTOR)]	3-A-4
TOTAL MANUAL PREMIUM		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is	3-A-21
+ Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]	3-A-13-b (1)
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]	3-A-13-b
+ Employers Liability factor (Admiralty/FELA)	[Factor applied to the portion of Manual Premium where Admiralty/FELA coverage is applicable]	3-A-13-b (4)
+ Employers Liability/Voluntary Compensation flat charge	[Coverage in Monopolistic State Funds]	Carrier files for charge
- Deductible Credit	[% applied to Total Manual Premium]	5-E
TOTAL SUBJECT PREMIUM		
x Experience Modification		Experience Rating Plan Manual
TOTAL MODIFIED PREMIUM		
x Schedule Rating Factor (1-SR Credit %) or (1 + SR Debit %)		Carrier files for charge
+ Charge for nonratable catastrophe loading[†]		3-A-16
+ Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]	N/A
+ Balance to Minimum Premium (Admiralty/FELA)	[Balance to minimum premium at Admiralty Standard Limits]	N/A
TOTAL STANDARD PREMIUM		
- Premium Discount[§]	[% applied to Standard Premium]	3-A-18
+ Coal Mine Disease Charge	[Surface and other than mining]	3-A-11
+ Expense Constant		3-A-10
+ Terrorism	[(PAYROLL / 100) * TERRORISM VALUE]	3-A-23
+ Catastrophe (other than Certified Acts of Terrorism)	[(PAYROLL / 100) * CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM)]	3-A-23
ESTIMATED ANNUAL PREMIUM		
+ Audit Noncompliance Charge		3-A-12
TOTAL AMOUNT DUE		

[†] Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.

[\$] For policies subject to premium adjustments under a retrospective rating plan, premium discount does not apply.

NOC = Not Otherwise Classified.

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification.

[*] The above rating method would be used in the absence of independent carrier filings.