



July 29, 2025

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Expense Allowances - Effective October 2025
Monthly Summary Report Processing

Summary: This document provides new ceding and claims expense allowances effective October 2025

Attached is an exhibit showing the new expense allowances which will be applicable in the processing of Monthly Summary Reports and Account Activity Statements beginning with the reports for October 2025, which begins a new fiscal year for the Facility. These expense allowances were determined in accordance with Article XII of the Plan of Operation and Chapter 9, Section 4 of the Rules of Operation of the Facility.

This exhibit indicates for each company or company group which has ceded to the North Carolina Reinsurance Facility the new ceding expense allowance for other than designated agent business. The ceding expense allowance for such business for carriers not listed in the enclosed exhibit will be furnished by this Office upon request. The ceding expense allowance for designated agent business will be 30.6% of written premiums.

The claims expense allowance for all companies (excluding designated agent business) will be 10.0% of written premium. The claims expense allowance for designated agent business will be 13.0% of written premium plus 50% of outside legal expenses paid. Note that no loss adjustment expenses, allocated or unallocated, are to be included with losses reported to the Facility.

The information in this circular letter should be brought to the attention of your Company's personnel who are responsible for reconciling the monthly Account Activity Statements with the monthly premium and loss reports submitted to the North Carolina Reinsurance Facility.

If you have any questions, please contact Kevin Braswell, Manager, Planning and Analysis at (919) 719-3029 or email at kdb@ncrb.org.

Sincerely,

Terry F. Collins

Chief Operating Officer

North Carolina Reinsurance Facility

TFC:lad
Attachment
RF-25-19

**NORTH CAROLINA REINSURANCE FACILITY
EXPENSE ALLOWANCES - BEGINNING 10/1/25**

<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense</u>		<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense</u>	
		<u>Allowance</u>				<u>Allowance</u>	
09823	ACE AMER INS CO	19.4%		06124	* NATIONWIDE MUT INS CO	a	
02696	AGENT ALLIANCE INS CO	a		06142	NGM INS CO	a	
07031	* ALLSTATE INS CO	23.1%		07524	* NORTH CAROLINA FARM BUREAU MUT	18.7%	
08007	* AM STATES INS CO	22.8%		10511	* PEAK PROP & CAS INS CORP	a	
03514	AMICA MUT INS CO	a		06098	* PENNSYLVANIA NATIONAL MUT CAS INS	a	
09994	ATLANTIC CAS INS CO	a		27676	* PERMANENT GENERAL ASSURANCE	a	
07093	* AUTO OWNERS INS CO	a		10545	* PROGRESSIVE PREMIER INS CO OF	a	
02128	BITCO GEN INS	a		10546	PROGRESSIVE UNIVERSAL INS CO	a	
03583	* CENTRAL MUT INS CO	a		05092	RIVERSTONE INTL INS INC	a	
27984	DISCOVERY INS CO	a		07960	* SAFECO INS CO OF AMERICA	a	
06119	* EMPLOYERS MUT CAS CO	a		07967	* SELECTIVE INS CO OF THE SE	a	
09073	* ERIE INS CO	23.0%		06127	* SENTRY INSURANCE CO	21.7%	
09972	ESSENTIA INS CO	a		07352	SOUTHERN GENERAL INS CO	a	
05293	* FARMERS PROP & CAS INS CO	a		07633	STATE AUTOMOBILE PROP & CAS INS	a	
07275	* FOREMOST INS CO GRAND RAPIDS MI	a		07667	STATE FARM MUT AUTOMOBILE INS CO	22.1%	
07159	GEICO INDEMNITY CO	17.7%		11366	STONEWOOD INS CO	a	
07307	GOV EMP INS CO	10.7%		07838	* THE CINCINNATI INS CO	a	
09813	GRAIN DEALERS MUT INS CO	21.2%		11371	THE MEMBERS INS CO	a	
27778	GREENVILLE CAS INS CO	a		02034	* THE TRAVELERS INDEMNITY CO	23.2%	
09818	HANOVER INS CO	a		06550	TRUCK INSURANCE EXCHANGE	a	
01238	* HARTFORD CAS INS CO	21.9%		05163	UNITRIN AUTO & HOME INS CO	a	
07610	* HORACE MANN INS CO	a		07202	UNITRIN SAFEGUARD INS CO	a	
11099	INCLINE CAS CO	a		05394	UNIVERSAL INS CO	a	
07611	* INTEGON GENERAL INS CORP	22.7%		03542	* USAA CAS INS CO	15.5%	
09824	* LIBERTY MUT INS CO	21.2%		05899	* UTICA MUT INS CO	a	
07504	NATIONWIDE GENERAL INS CO	a		02038	* ZURICH AMER INS CO	11.6%	
07612	NATIONWIDE INS CO OF AMERICA	a					

NOTES: a: Allowance of **23.6%** of written premiums.

*: Includes all companies in the NCRF group code.

The claims expense allowance for all companies (excluding designated agent business) is **10.0%** of written premiums.

The ceding expense allowance for designated agent business is **30.6%** of written premium.

The claims expense allowance for designated agent business is **13.0%** of written premiums plus 50% of outside legal expenses paid.

For a ceding expense allowance of companies not listed above, refer to the NCRF.