



July 27, 2026

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Expense Allowances - Effective October 2026
Monthly Summary Report Processing

Summary: This document provides new ceding and claims expense allowances effective October 2026

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 2026, 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 31.0% of written premiums.

The claims expense allowance for all companies (excluding designated agent business) will be 9.3% of written premium. The claims expense allowance for designated agent business will be 12.3% 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 NCRFsupport@ncrb.org or call 919-783-9790.

Sincerely,

Thomas F. Burns

Chief Operating Officer

North Carolina Reinsurance Facility

TFC:lad
Attachment
RF-26-11

**NORTH CAROLINA REINSURANCE FACILITY
EXPENSE ALLOWANCES - BEGINNING 10/1/26**

<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense Allowance</u>	<u>NCRF Code</u>	<u>Company Name</u>	<u>Ceding Expense Allowance</u>
02696	AGENT ALLIANCE INS CO	a	07612	NATIONWIDE INS CO OF AMERICA	a
07031	* ALLSTATE INS CO	19.9%	06124	* NATIONWIDE MUT INS CO	a
08007	* AM STATES INS CO	a	06142	NGM INS CO	a
03514	AMICA MUT INS CO	21.3%	07524	* NORTH CAROLINA FARM BUREAU MUT	19.2%
09994	ATLANTIC CAS INS CO	a	10511	* PEAK PROP & CAS INS CORP	a
07093	* AUTO OWNERS INS CO	a	06098	* PENNSYLVANIA NATIONAL MUT CAS INS	a
02128	BITCO GEN INS	a	27676	* PERMANENT GENERAL ASSURANCE	a
03583	* CENTRAL MUT INS CO	a	10545	* PROGRESSIVE PREMIER INS CO OF	a
27984	DISCOVERY INS CO	a	10546	PROGRESSIVE UNIVERSAL INS CO	a
06119	* EMPLOYERS MUT CAS CO	a	07960	* SAFECO INS CO OF AMERICA	23.4%
09073	* ERIE INS CO	22.9%	07967	* SELECTIVE INS CO OF THE SE	a
05293	* FARMERS PROP & CAS INS CO	a	06127	* SENTRY INSURANCE CO	23.2%
07275	* FOREMOST INS CO GRAND RAPIDS MI	a	07352	SOUTHERN GENERAL INS CO	a
07159	GEICO INDEMNITY CO	17.5%	07633	STATE AUTOMOBILE PROP & CAS INS	22.1%
07307	GOV EMP INS CO	11.9%	07667	STATE FARM MUT AUTOMOBILE INS CO	21.6%
09813	GRAIN DEALERS MUT INS CO	a	11366	STONEWOOD INS CO	a
27778	GREENVILLE CAS INS CO	a	07838	* THE CINCINNATI INS CO	a
01238	* HARTFORD CAS INS CO	20.8%	11371	THE MEMBERS INS CO	a
07610	* HORACE MANN INS CO	a	02034	* THE TRAVELERS INDEMNITY CO	23.0%
11099	INCLINE CAS CO	a	06550	TRUCK INSURANCE EXCHANGE	16.1%
07611	* INTEGON GENERAL INS CORP	22.1%	05394	UNIVERSAL INS CO	a
09824	* LIBERTY MUT INS CO	22.0%	03542	* USAA CAS INS CO	15.0%
07504	NATIONWIDE GENERAL INS CO	a	05899	* UTICA MUT INS CO	a

NOTES: a: Allowance of **24.0%** of written premiums.

*: Includes all companies in the NCRF group code.

The claims expense allowance for all companies (excluding designated agent business) is **9.3%** of written premiums.

The ceding expense allowance for designated agent business is **31.0%** of written premium.

The claims expense allowance for designated agent business is **12.3%** of written premiums plus 50% of outside legal expenses paid.

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