



March 27, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Quarterly Suit Report

The Board of Governors has approved the elimination of the Quarterly Suit Report requirement. Previously, member companies have been required to report the status of pending litigation related to policies ceded to the Reinsurance Facility on a Quarterly Suit Report form, which appeared as Exhibit A-1 in Section 5 - Claims of the North Carolina Reinsurance Facility Standard Practice Manual.

This form, the associated exhibit and the language in Section 5, Subsection I, Item 3 of the Standard Practice Manual are now obsolete. Revised manual pages have been recently distributed by AIPSO and reflect this change.

No report is due from companies for the quarter ending March 31, 2006 or thereafter. Please see to it that the above is brought to the attention of all interested personnel in your company.

Questions regarding this circular should be directed to Jannet Barnes at 919-582-1022 or jbb@ncrb.org

Sincerely,

Edith T. Davis

Director, Reinsurance Facility

RF-06-5