



May 1, 2002

**CIRCULAR LETTER TO ALL MEMBER COMPANIES**

**Re: Appointment of Designated Carriers**

Article XIII of the Reinsurance Facility's Plan of Operation provides for the Facility's Board of Governors to contract with one or more member companies as designated carriers to appoint and contract with qualified designated agents.

At present there are two designated carriers and a total of twenty-five designated agents. One of the designated carriers has notified the Facility that it does not wish to continue serving as a designated carrier after expiration of its current contract on September 30, 2002.

In view of this development, the Facility would like to consider the appointment of at least one new designated carrier. The Board of Governors will be interested in renewing contracts with current designated carriers and/or contracting with one or more new designated carriers as soon as practical, preferably before the current contracts expire on September 30, 2002. The Facility's Market Committee is scheduled to meet on June 12, 2002 to develop recommendations for the Board of Governors regarding this matter.

Any member company that wishes to apply for appointment as a designated carrier may do so by completing the enclosed Designated Carrier Application, Form NCRF-40 and forwarding it to the attention of the undersigned. In order for the Market Committee to review your application at its upcoming meeting, it is requested that you submit the completed Form NCRF-40 by May 31, 2002.

Provisions regarding designated carriers and agents, including eligibility criteria, are set forth in the Facility's Standard Practice Manual, including N.C.G.S. 58-37-35(g)(6), at Page 1-6 of Section 1; Article XIII of the Plan of Operation, at Page 2-8 of Section 2; Section 3.K at Page 3-12 of General Rules; and in Section 6, Auditing. The Standard Practice Manual is available on the internet at [www.ncrb.org/ncrf](http://www.ncrb.org/ncrf).

For additional information please contact the undersigned by phone at 919-582-1005, or by email at [rmg@ncrb.org](mailto:rmg@ncrb.org).

Sincerely,

Robert M. Greer

Director of Operations

RMG:lm  
Enclosure  
RF-02-4

**NORTH CAROLINA REINSURANCE FACILITY  
DESIGNATED CARRIER APPLICATION**

1. **Name of Company:** \_\_\_\_\_
2. **Home Office Address:** \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_
3. **Is the Company licensed to write automobile liability insurance in North Carolina?**  Yes  No
4. **Automobile liability insurance written premiums--latest three calendar years (Report individual company data-excluding data of other companies in group, if any.):**

**NORTH CAROLINA**

	<u><b>VOLUNTARY</b></u>		<u><b>ALL CEDED</b></u>	
<u><b>Calendar Year</b></u>	<u><b>Private Passenger</b></u>	<u><b>Commercial</b></u>	<u><b>Private Passenger</b></u>	<u><b>Commercial</b></u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**COUNTRYWIDE (Including North Carolina)**

<u><b>Calendar Year</b></u>	<u><b>Private Passenger</b></u>	<u><b>Commercial</b></u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

5. (a) **Address of the Company office which would provide underwriting and policy writing service for designated agent business:**  
 \_\_\_\_\_  
 \_\_\_\_\_
- (b) **Name and title of manager of this office:** \_\_\_\_\_
- (c) **How many automobile insurance underwriters are employed at this office?** \_\_\_\_\_
- (d) **Attach a statement describing the qualifications and the length of experience of these underwriters as to automobile liability insurance, separately as to private passenger and commercial, in North Carolina and elsewhere.**
6. (a) **Address of Company office which would directly supervise claims arising from designated agent business:**  
 \_\_\_\_\_  
 \_\_\_\_\_
- (b) **Location of all (other) Company claim offices in North Carolina:**  
 \_\_\_\_\_

- (c) How many staff claim adjusters are located in North Carolina? \_\_\_\_\_
- (d) Attach a statement describing the qualifications and the length of experience of claim supervisors and staff adjusters as to automobile liability insurance in North Carolina and elsewhere.
7. Latest Best's Policyholders' Rating Classification for Company was \_\_\_\_\_ published in year \_\_\_\_\_.
8. (a) Has the Company submitted to the Insurance Regulatory Information System (IRIS) tests of the National Association of Insurance Commissioners?  Yes  No
- (b) If yes, state for which latest year: \_\_\_\_\_ Number of tests passed: \_\_\_\_\_
9. (a) Are the Company's accounting and data processing systems now capable of producing all reports required by the NCRF Manual accurately, on a timely basis and in the required formats?  Yes  No
- (b) If not, explain on separate sheet.
- 10.(a) Identify the statistical agent(s) with which the Company is affiliated for reporting North Carolina automobile liability insurance statistical data:
- Private Passenger: \_\_\_\_\_
- Commercial: \_\_\_\_\_
- (b) Are the Company's statistical systems now capable of producing all required statistical reports accurately, coded in accordance with the approved statistical plan(s), in the required format(s), and on a timely basis?  Yes  No
- (c) If not, explain on separate sheet.
11. A copy of the latest Annual Statement and a copy of the latest Insurance Expense Exhibit filed with the North Carolina Department of Insurance are attached hereto.

I certify that the information supplied in and with this Application is true and complete to the best of my knowledge and belief. If appointed as a designated carrier this Company certifies that it will comply with the requirements of the Plan of Operation of the North Carolina Reinsurance Facility, the rules adopted by the Facility's Board of Governors pursuant thereto, the terms of the Facility's "Contract with Member Company for Appointment of Designated Agents" and all applicable North Carolina statutes.

The Company understands that additional information may be sought from it and/or other sources concerning its request for designated carrier appointment and one or more Company personnel may be requested to appear before the Board of Governors when it considers this request. The Company authorizes: (1) the Facility and its representatives to conduct an inquiry into all matters that the Facility considers relevant regarding this request for designated carrier appointment, and (2) all persons, firms and corporations to disclose to the Facility such information and opinions as the Facility may request in connection with its consideration of this request. The Company releases the Facility, its representatives and other parties disclosing information or opinions to the Facility from liability on account of the actions herein authorized.

Date \_\_\_\_\_ Company \_\_\_\_\_

By \_\_\_\_\_  
(Executive Officer)

Title \_\_\_\_\_