

SUMMARY

NORTH CAROLINA - ASSIGNED RISK

Proposed Effective Date

April 1, 2009

I. Industrial Classifications

Overall Proposed Change in Premium Level

- New and Renewal Policies -3.8%

By Component

Change in Loss Costs -4.4%

Change in Loss Cost Multiplier +0.6%

Overall Premium Level Change -3.8%

By Industry Group

Manufacturing -3.5%

Contracting -4.1%

Office and Clerical -7.8%

Goods and Services -3.0%

Miscellaneous -0.9%

Overall -3.8%

II. Federal Classifications

Overall Proposed Change in Premium Level

- New and Renewal Policies +2.3%

III. Summary of Miscellaneous Changes

Current

Proposed

A. USL&HW %

100%

95%

NORTH CAROLINA - ASSIGNED RISK

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NORTH CAROLINA - ASSIGNED RISK

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North Carolina - Paid

Determination of Filed Change in Pure Premium Level

	PY 2005	PY 2006
1. Standard Earned Premium valued as of 12/31/07*	934,565,508	1,025,051,007
2. Premium Development Factor (See App. A-II)	0.998	1.007
3. Premium On-level Factor to 4/1/08 (See App. A-I)	1.120	1.060
4. Premium Available for Benefit Costs [(1) x (2)]x(3)	1,044,619,942	1,094,159,946
5. Limited Indemnity Paid Losses valued as of 12/31/07*	187,778,208	94,242,164
6. Indemnity Development Factor (See App. A-II)	2.363	4.813
7. Indemnity On-level Factor to 1/1/08 (See App. A-I)	1.014	1.009
8. Factor to Include Loss Adjustment Expense (See Exh. II)	1.160	1.160
9. Factor to Adjust Indemnity Losses to an Unlimited Basis (Appendix A-II)	1.009	1.009
10. Factor to Reflect Benefit Change Effective 1/1/09 (See App. C-I)	1.006	1.006
11. Adjusted Indemnity Cost Excl. Trend ((5)x(6))x(((7)x(8))x(9))x(10))	529,801,568	538,861,992
12. Factor to Reflect Indemnity Trend (See App. A-III)	1.000	1.000
13. Adjusted Indemnity Cost [(11) x (12)]	529,801,568	538,861,992
14. Limited Medical Paid Losses valued as of 12/31/07*	235,204,331	181,817,741
15. Medical Development Factor (See App. A-II)	1.615	2.143
16. Medical On-level Factor to 1/1/08 (See App. A-I)	1.000	1.000
17. Factor to Include Loss Adjustment Expense (See Exh. II)	1.160	1.160
18. Factor to Adjust Medical Losses to an Unlimited Basis (Appendix A-II)	1.009	1.009
19. Factor to Reflect Benefit Change Effective 1/1/09 (See App. C-I)	1.000	1.000
20. Adjusted Medical Cost Excl. Trend ((14)x(15))x(((16)x(17))x(18))x(19))	444,430,344	455,873,440
21. Factor to Reflect Medical Trend (See App. A-III)	1.113	1.086
22. Adjusted Medical Cost [(20) x (21)]	494,650,973	495,078,556
23. Total Indemnity and Medical Cost [(13) + (22)]	1,024,452,541	1,033,940,548
24. Projected Total Pure Premium Ratio [(23) / (4)]	0.981	0.945
25. Weights Assigned to Each Year	50.0%	50.0%
26. Indicated Pure Premium Level Change Based on Paid Losses [Sum of (24) x (25)]	0.963	(-3.7%)

* This item is the summation of the voluntary and assigned risk data submitted to NCCI by carriers on the Policy Year Call for Experience.

North Carolina - Paid + Case

Determination of Filed Change in Pure Premium Level

	PY 2005	PY 2006
27. Standard Earned Premium valued as of 12/31/07*	934,565,508	1,025,051,007
28. Premium Development Factor (See App. A-II)	0.998	1.007
29. Premium On-level Factor to 4/1/08 (See App. A-I)	1.120	1.060
30. Premium Available for Benefit Costs [(27) x (28)]x(29)	1,044,619,942	1,094,159,946
31. Limited Indemnity Paid + Case Losses valued as of 12/31/07*	298,337,571	216,205,530
32. Indemnity Development Factor (See App. A-II)	1.450	1.987
33. Indemnity On-level Factor to 1/1/08 (See App. A-I)	1.014	1.009
34. Factor to Include Loss Adjustment Expense (See Exh. II)	1.160	1.160
35. Factor to Adjust Indemnity Losses to an Unlimited Basis (Appendix A-II)	1.009	1.009
36. Factor to Reflect Benefit Change Effective 1/1/09 (See App. C-I)	1.006	1.006
37. Adjusted Indemnity Cost Excl. Trend ((31)x(32))x(((33)x(34))x(35))x(36))	516,511,837	510,365,261
38. Factor to Reflect Indemnity Trend (See App. A-III)	1.000	1.000
39. Adjusted Indemnity Cost [(37) x (38)]	516,511,837	510,365,261
40. Limited Medical Paid + Case Losses valued as of 12/31/07*	315,095,115	284,951,020
41. Medical Development Factor (See App. A-II)	1.238	1.358
42. Medical On-level Factor to 1/1/08 (See App. A-I)	1.000	1.000
43. Factor to Include Loss Adjustment Expense (See Exh. II)	1.160	1.160
44. Factor to Adjust Medical Losses to an Unlimited Basis (Appendix A-II)	1.009	1.009
45. Factor to Reflect Benefit Change Effective 1/1/09 (See App. C-I)	1.000	1.000
46. Adjusted Medical Cost Excl. Trend ((40)x(41))x(((42)x(43))x(44))x(45))	456,402,670	452,747,277
47. Factor to Reflect Medical Trend (See App. A-III)	1.113	1.086
48. Adjusted Medical Cost [(46) x (47)]	507,976,172	491,683,543
49. Total Indemnity and Medical Cost [(39) + (48)]	1,024,488,009	1,002,048,804
50. Projected Total Pure Premium Ratio [(49) / (30)]	0.981	0.916
51. Weights Assigned to Each Year	50.0%	50.0%
52. Indicated Pure Premium Level Change Based on Paid + Case Losses [Sum of (50) x (51)]	0.949	(-5.1%)
53. Indicated Pure Premium Level Change [((26)+(52)) / 2]	0.956	(-4.4%)
54. Proposed Change in the Loss Cost Multiplier [Exhibit I-A, Sheet 1, Line (9) / Exhibit I-A, Sheet 2, Line (9)]	1.006	(+0.6%)
55. Indicated Assigned Risk Premium Level Change [(53) x (54)]	0.962	(-3.8%)

* This item is the summation of the voluntary and assigned risk data submitted to NCCI by carriers on the Policy Year Call for Experience.

North Carolina - Assigned Risk

Distribution of Overall Assigned Risk Premium Level Change to Industry Groups

Industry group differentials:

Manufacturing	1.003
Contracting	0.997
Office & Clerical	0.958
Goods & Services	1.008
Miscellaneous	1.030

Applying these industry group differentials to the overall premium level change produces the changes in premium level proposed for each group as shown:

	(1) Overall Assigned Risk Premium Level Change	(2) Industry Group Differentials	(3) = (1) x (2) Assigned Risk Premium Level Change by Industry Group	
Manufacturing	0.962	1.003	0.965	(-3.5%)
Contracting	0.962	0.997	0.959	(-4.1%)
Office & Clerical	0.962	0.958	0.922	(-7.8%)
Goods & Services	0.962	1.008	0.970	(-3.0%)
Miscellaneous	0.962	1.030	0.991	(-0.9%)
Overall	0.962	1.000	0.962	(-3.8%)

North Carolina Department of Insurance

Summary of Supporting Information Form
Calculation of INDICATED Assigned Risk Loss Cost Multiplier
Effective April 1, 2009

- | | | | |
|-----|---|-------------------|-----------------------------|
| 1. | Does this filing apply uniformly to all workers compensation classes?
(If no, identify exception and provide justification for variations.) | Yes | |
| 2. | Loss Cost Modification: | | |
| | A. The insurer hereby files to adopt the prospective loss costs in the North Carolina Rate Bureau reference filing (Check one): | | |
| | <input type="checkbox"/> Without modification (factor = 1.000) | | |
| | <input checked="" type="checkbox"/> With the following modification(s): 1.215 (see attached)
Cite the nature and percent modification. Attach supporting data and/or rationale for the modification(s). | | |
| | B. Loss Cost Modification Factor: | <u>1.215</u> | See Exhibit I-A,
Sheet 3 |
| | Example (i): If your loss cost modification is -10%, the factor is .90 (1.00 - .10).
Example (ii): If your loss cost modification is +15%, the factor is 1.15 (1.00 + .15). | | |
| 3. | Selected Expenses: (Attach Expense Provisions Exhibit) | | See Exhibit II |
| | A. Commission and Brokerage | <u>5.00%</u> | |
| | B. Other Acquisition | <u>21.34%</u> | |
| | C. General Expenses | <u>Incl. in B</u> | |
| | D. Taxes, Licenses, Fees & Loss Based Assessments | <u>2.94%</u> | |
| | E. Profit, Contingencies and Investment Income | <u>10.70%</u> | |
| | F. Other | <u>0.00%</u> | |
| | G. Total (A + B + C + D + E + F) | <u>39.98%</u> | |
| 4. | Development of Expected Loss & Loss Adjustment Expense (Target Cost) Ratio:
(Expressed in decimal form: 1.000 - 3G) | <u>0.6002</u> | |
| 5. | Overall impact of expense constant & minimum premiums:
(Expressed in decimal form: i.e., 1.2% overall impact would be 1.012) | <u>1.1166</u> | See Exhibit II |
| 6. | Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating:
(Expressed in decimal form: i.e., 8.6% average discount would be 0.914) | <u>1.0000</u> | |
| 7. | Provision for loss based assessments | <u>0.0000</u> | |
| 8. | Formula Loss Cost Multiplier : $2B \times (1.0 - 7) / ((6 - 3G) \times 5)$ | <u>1.8129</u> | |
| 9. | Selected Loss Cost Multiplier:
(Explain any differences between 8 and 9, other than rounding) | <u>1.8129</u> | |
| 10. | Premium Level Changes for the Coverages to which this page applies | <u>-3.8%</u> | |
| 11. | Are you amending:
the minimum premium formula?
the expense constant(s) ?
the premium discount schedules?
If yes, attach documentation showing (i) premium level impact and (ii) current and proposed minimum premium formula, minimum premium multipliers, maximum minimum premiums, expense constants and/or premium discount schedules. | No
No
No | |

North Carolina Department of Insurance

Summary of Supporting Information Form
Calculation of CURRENT Assigned Risk Loss Cost Multiplier
Effective April 1, 2008

1. Does this filing apply uniformly to all workers compensation classes?
(If no, identify exception and provide justification for variations.)

2. Loss Cost Modification:
 - A. The insurer hereby files to adopt the prospective loss costs in the North Carolina Rate Bureau reference filing (Check one):
 - Without modification (factor = 1.000)
 - With the following modification(s): 1.230
Cite the nature and percent modification. Attach supporting data and/or rationale for the modification(s).
 - B. Loss Cost Modification Factor: 1.230
 - Example (i): If your loss cost modification is -10%, the factor is .90 (1.00 - .10).
 - Example (ii): If your loss cost modification is +15%, the factor is 1.15 (1.00 + .15).

3. Selected Expenses: (Attach Expense Provisions Exhibit)

A. Commission and Brokerage	<u>5.00%</u>
B. Other Acquisition	<u>21.56%</u>
C. General Expenses	<u>Incl. in B</u>
D. Taxes, Licenses, Fees & Loss Based Assessments	<u>2.94%</u>
E. Profit, Contingencies and Investment Income	<u>6.00%</u>
F. Other	<u>0.00%</u>
G. Total (A + B + C + D + E + F)	<u>35.50%</u>

4. Development of Expected Loss & Loss Adjustment Expense (Target Cost) Ratio:
(Expressed in decimal form: 1.000 - 3G) 64.50%

5. Overall impact of expense constant & minimum premiums:
(Expressed in decimal form: i.e., 1.2% overall impact would be 1.012) 1.1154

6. Overall impact of size-of-risk discounts plus expense gradation recognition in retrospective rating:
(Expressed in decimal form: i.e., 8.6% average discount would be 0.914) 1.0000

7. Provision for premium taxes, licenses, fees and loss based assessments 0.00%

8. Formula Loss Cost Multiplier : $2B \times (1.0 - 7) / ((6 - 3G) \times 5)$ 1.7096

9. Selected Lost Cost Multiplier 1.8023

North Carolina - Assigned Risk

Calculation of Loss Cost Modification Factor

1. Current Assigned Risk Differential	1.350
2. Proposed Change in Assigned Risk Differential (See Exh. II-E, Sheet 1)	0.997
3. Proposed Assigned Risk Differential (1) x (2)	1.346
4. Factor to Adjust Loss Costs to Avoid Double Counting Servicing Carrier LAE (See Exhibit II-A, Sheet 3)	0.903
5. Loss Cost Modification Factor (3) x (4)	1.215

North Carolina - Assigned Risk

Summary of Expense Provisions

1. Standard Assigned Risk Commission and Brokerage (Res. Mkt. Plan Admin Rules)	5.00%
2. Loss Adjustment Expense (included in Loss Costs) (See Exhibit II-A, Sheet 1)	16.00%
Factor to adjust loss costs to avoid double counting Servicing Carrier LAE (See Exhibit II-A, Sheet 3)	0.903
3. Other Acquisition, General Expense * (and LAE for Servicing Carriers) (See Exhibit II-B, Sheet 1)	21.34%
4. Underwriting Profit and Contingencies	10.70%
a. Underwriting Profit (See Exhibits RB-12 and RB-14)	9.7%
b. Contingencies (See Exhibits RB-5 and RB-6)	1.0%
5. Taxes, Licenses, and Fees	
TLF Including Regulatory Surcharge (2.5% x 1.055)	2.64%
Miscellaneous Tax (judgmentally selected)	0.30%
Total Including Miscellaneous Tax	2.94%
6. Expense Constant Effect (Expense Constant of \$250)	
Premium Effect (See Exhibit II-D, Sheet 1)	9.90%
7. Minimum Premium Multiplier Effect (MPM of \$185)	
Premium Effect (See Exhibit II-D, Sheet 2)	1.60%

* Excludes commission and brokerage, taxes, licenses and fees.

North Carolina

Derivation of Indicated Loss Adjustment Expense Provision

<u>COUNTRYWIDE</u>					<u>NORTH CAROLINA</u>		
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
<u>Year</u>	<u>Calendar Year IEE Ratio (Direct Basis)#</u>	<u>Accident Year Developed LAE Ratio+</u>	<u>Accident Year Developed DCCE Ratio+</u>	<u>Accident Year Developed AOE Ratio+</u>	<u>Accident Year DCCE Ratio Adjusted to NC Relativity (4) x 0.640^</u>	<u>Accident Year LAE Ratio Adjusted to NC Relativity (5) + (6)</u>	<u>Calendar Year</u>
2000	15.0%	15.8%	9.7%	6.1%	6.2%	12.3%	15.1%
2001	13.7%	16.4%	10.1%	6.4%	6.4%	12.8%	15.1%
2002	14.2%	17.1%	10.6%	6.5%	6.8%	13.3%	13.6%
2003	15.5%	18.2%	10.8%	7.4%	6.9%	14.3%	13.9%
2004	16.6%	17.7%	10.8%	6.9%	6.9%	13.8%	13.0%
2005	17.6%	18.8%	11.1%	7.7%	7.1%	14.8%	13.8%
2006	19.7%	19.4%	11.3%	8.1%	7.2%	15.3%	16.6%
2007	17.3%	20.4%	12.2%	8.2%	7.8%	16.0%	16.6%
Current North Carolina Loss Adjustment Expense Provision							14.5%
Selected North Carolina Loss Adjustment Expense Provision							16.0%

Source: Countrywide Insurance Expense Exhibit (See Exhibit RB-4).

+ Source: NCCI Call for Loss Adjustment Expense (See Exhibit RB-4).

^ Exhibit II-A, Sheet 2.

North Carolina

Derivation of North Carolina DCCE relativity

	(1)	(2)	(3)
	Calendar Years 2006 and 2007 <u>Paid Losses* ('000s)</u>	Calendar Years 2006 and 2007 <u>Paid DCCE* ('000s)</u>	DCCE Ratio <u>(2)/(1)</u>
(a) North Carolina	\$1,513,392	\$106,872	7.1%
(b) Countrywide	39,389,807	4,372,700	11.1%
 North Carolina DCCE relativity (3a) / (3b)			 0.640
 Selected DCCE relativity			 0.640

* Source: Annual Statement Page 15 data, excluding state funds, collected and aggregated by NCCI, Inc.

North Carolina - Assigned Risk

Derivation of Loss Adjustment Expense Removal Factor

1. Selected loss adjustment expense provision (See Exhibit II-A, Sheet 1)	1.160
2. Servicing carrier 2009 quota (See Exhibit II-B, Sheet 1)	0.7046
3. Factor to adjust loss costs to avoid double counting servicing carrier LAE $[(2) / (1)] + [1.0 - (2)]$	0.903

North Carolina - Assigned Risk

Average Expense Provision
Other Acquisition, General Expense and Servicing Carrier LAE

1. Servicing Carriers (See Exhibit II-B, Sheet 2)	
a. Allowance and separate reimbursement (incl. LAE)	26.69%
b. Quota (100% - 2b)	70.46%
2. Direct Assignment Carriers (See Exhibit II-B, Sheet 2)	
a. Other acquisition and general expense ratio	8.58%
b. Quota	29.54%
3. Average expense provision, excluding taxes, licenses and fees and loss-based assessments and including servicing carrier LAE (1a)x(1b) + (2a)x(2b)	21.34%

North Carolina - Assigned Risk

Expense Ratios for Servicing Carriers

1. Weighted-Average of 1/1/2008 Three-Year Servicing Carrier Allowances* (Includes LAE)	25.49%
2. NCCI Pool Administration Expenses (See Exhibit II-C)	0.50%
3. Provision for Separately Reimbursable Expenses (See Exhibit II-C)	0.70%
 Total Servicing Carrier Allowance and Separate Reimbursement	 26.69%

Expense Ratios for 2009 Direct Assignment Carriers^

Calendar Year	Net Earned Premium Std. Basis	Commission & Brokerage	Other Acq. Field Super. Collection	General Expenses	Other Acq. Field Super. & Gen. Exp
2005	\$220,899,659	\$16,179,599	\$9,168,927	\$7,964,321	\$17,133,248
2006	427,991,401	26,071,145	20,772,690	14,303,966	35,076,656
2007	<u>486,455,232</u>	<u>31,204,395</u>	<u>21,095,070</u>	<u>15,504,587</u>	<u>36,599,657</u>
 Total	 \$1,135,346,292	 \$73,455,139	 \$51,036,687	 \$37,772,874	 \$88,809,561
 Expense Ratios#			 4.85%	 3.74%	 8.58%
 Direct Assignment Carriers' Other Acquisition and General Expense Ratio					 8.58%
Direct Assignment Carriers' 2009 Quota (See Exhibit II-B, Sheet 1)					29.54%

* Source: North Carolina Rate Bureau. Excludes commission and brokerage, taxes, licenses and fees.

^ Source: Data collected by NCCI, Inc.

Weighted by individual carrier direct assignment market shares.

North Carolina - Assigned Risk

Pool Expense Provision*

Data Valued as of 12/31/2007

Calendar <u>Year</u>	Gross Written <u>Premium</u>	NCCI Administrative <u>Expense</u>	Admin Expenses as a % of GWP
2006	\$85,136,260	\$397,662	0.47%
2007	79,009,902	429,072	<u>0.54%</u>
Two-Year Average:			0.51%
Selected:			0.50%

Policy <u>Year</u>	Gross Written <u>Premium</u>	"Separately Reimbursable" <u>Expense</u>	Percent of Gross Written <u>Premium</u>
2004	\$86,744,580	\$808,455	0.93%
2005	98,901,070	821,984	0.83%
2006	84,520,758	387,660	<u>0.46%</u>
Two-Year Average:			0.65%
Three-Year Average:			0.74%
Selected:			0.70%

* Source: Data collected by NCCI, Inc.

North Carolina - Assigned Risk

Effect of Expense Constant

	Policy Year		
	2004	2005	2006
(1) Assigned Risk Standard Premium at Current Level (Exhibit II-E, Sheet 2)	85,226,625	85,912,131	73,056,813
(2) Proposed Pure Premium Level Change (Exhibit I, Sheet 1)	-4.4%	-4.4%	-4.4%
(3) Assigned Risk Standard Premium at Proposed Level (1) x [100% + (2)]	81,519,267	82,174,953	69,878,842
(4) Selected Loss Cost Multiplier (Exhibit I-A, Sheet 1)	1.8129	1.8129	1.8129
(5) Other Std. Premium Programs (Exhibit II-E, Sheet 9)	1.029	1.029	1.029
(6) Assigned Risk Policy Counts With Expense Constant Assigned to NC*	34,793	38,348	39,431
(7) Expense Constant Revenue Reported*	6,257,151	6,809,767	6,815,910
(8) Actual Expense Constant in Effect	\$210	\$210	\$210
(9) Indicated Expense Constant	\$250	\$250	\$250
(10) Estimated Expense Constant Effect [(9)x(6)] / [(3) x (4) x (5)]	0.0572	0.0625	0.0756
(11) Average Premium Size*	2,896	2,695	2,645
(12) Assigned Risk on level factor to Present Pure Premium level	0.945	0.907	0.847
(13) On level Average Prem size (11) x (12)	2,737	2,444	2,240
(14) Estimated Impact of Change in Average Policy Size From Historical Policy Years to 2008 Policy Year Estimated 2008 Average on level premium size of \$1,793 divided by (13) for each respective year.	0.655	0.734	0.800
(15) Adjusted Expense Constant Effect (10)/(14)	0.0873	0.0851	0.0945
(16) Selected Expense Constant Effect			0.0990

* Source: North Carolina Rate Bureau

North Carolina - Assigned Risk

Effect of Minimum Premium Multiplier

Minimum premium totals

(1) Standard Earned Premium*	\$ 115,058,961
(2) Premium Generated Under Present Minimum Premium Rules*	3,539,755
(3) Average Minimum Premium Multiplier During First Report	185

Calculation of impact of minimum premium multiplier

(4) Minimum Premium Multiplier	185
(5) Premium Generated by Multiplier $(2) \times (4) / (3)$	3,539,755
(6) Standard Premium at Present Rule $(1) - (2) + (5)$	115,058,961
(7) Standard Premium without MP $(6) - (5)$	111,519,206
(8) Impact of MP $(6) / (7)$	1.032
(9) Impact of MP attributed to MPM $((8) - 1.000) / 2 + 1.000$	1.016

* These figures are the summation of the WCSP data submitted to NCCI for assigned risk policies with effective dates during January 2005 to December 2005.

**North Carolina - Assigned Risk
Indicated Change in the Assigned Risk Differential
Based on Paid Losses**

Policy Year	(1) <u>Residual Market</u>	(2) <u>Statewide Market</u>	(3) = (1) / (2) Ratio of Residual to Statewide <u>Market</u>	(4) Indicated Assigned Risk Pure Prem. Diff.^ <u>(Std Basis)</u>
I. Standard Pure Premium Valued as of 12/31/2007 *				
2002	\$67,291,582	\$814,716,998	0.083	
2003	86,580,912	901,503,406	0.096	
2004	85,226,625	973,734,515	0.088	
2005	85,912,131	1,046,920,581	0.082	
2006	73,056,813	1,097,086,382	0.067	
II. Paid Loss Experience Valued as of 12/31/2007 **				
2002	\$68,964,281	\$653,046,171	0.106	1.283
2003	88,434,463	721,862,334	0.123	1.281
2004	106,683,413	813,631,724	0.131	1.497
2005	97,140,884	837,255,063	0.116	1.414
2006	77,975,870	854,930,989	0.091	1.367
			Average Differential ^	1.368
(a)	Indicated Differential in Standard Pure Premium Based on Experience			1.368
(b)	Current Impact of Standard Pure Premium Programs@			1.389
(c)	Indicated Change in Assigned Risk Pure Premium Differential Based on Paid Losses = (a) / (b)			0.985
(d)	Indicated Change in Assigned Risk Pure Premium Differential Based on Paid+Case Losses [See Exhibit II-E, Sheet 4, Item (c)]			1.009
(e)	Selected Change in Assigned Risk Pure Premium Differential (Proposed Assigned Risk Pure Premium Differential = 1.346)			0.997

* Developed to fifth report and brought to the 4/1/2008 pure premium level.

** Brought to the 1/1/2008 benefit level.

^ This is the indicated pure premium differential based on loss experience, calculated by comparing the ratio of assigned risk and statewide losses to the ratio of assigned risk and statewide premium.

@ This is composed of an ARAP impact equal to 2.9% and a differential of 1.350. ARAP impact from Exhibit II-E, Sheet 9.

North Carolina - Assigned Risk (Residual Market)

Policy Year	(1) Standard Premium*	(2) On-level Factor^	(3) Effect of Current Standard Premium Programs#		(1) x ((2) / (3)) Stand. Pure Prem. at Current Level
2002	\$94,114,100	0.993	1.389		\$67,291,582
2003	123,159,192	0.976	1.389		86,580,912
2004	125,333,272	0.945	1.389		85,226,625
2005	131,565,285	0.907	1.389		85,912,131
2006	119,765,267	0.847	1.389		73,056,813

Policy Year	Ind. Losses Paid	On-level Factor^	Development Factor	Excess Provision	Adjusted Ind. Losses
2002	\$29,529,655	1.033	1.298	1.009	\$39,950,714
2003	36,354,286	1.024	1.432	1.009	53,788,541
2004	35,805,024	1.016	1.695	1.009	62,215,493
2005	22,713,347	1.014	2.363	1.009	54,912,849
2006	8,427,707	1.009	4.813	1.009	41,295,966

Policy Year	Med. Losses Paid	On-level Factor^	Development Factor	Excess Provision	Adjusted Med. Losses
2002	\$22,102,055	1.000	1.301	1.009	\$29,013,567
2003	25,359,594	1.000	1.354	1.009	34,645,922
2004	30,668,948	1.000	1.437	1.009	44,467,920
2005	25,914,163	1.000	1.615	1.009	42,228,035
2006	16,963,476	1.000	2.143	1.009	36,679,904

* Developed to a fifth report. See Exhibit II-E, Sheet 7.

^ See Appendix A-I for the derivation of the factors for years 2005 and 2006. Factors for the remaining years are calculated in a similar manner.

This is composed of an ARAP impact equal to 2.9% and a differential of 1.350. ARAP impact from Exhibit II-E, Sheet 9.

**North Carolina - Assigned Risk
(Statewide Market)**

Policy Year	(1) Voluntary Standard Premium*	(2) Assigned Risk Standard Premium**	(3) = (1) + (2) Standard Pure Premium On-level
2002	\$747,425,416	\$67,291,582	\$814,716,998
2003	814,922,494	86,580,912	901,503,406
2004	888,507,890	85,226,625	973,734,515
2005	961,008,450	85,912,131	1,046,920,581
2006	1,024,029,569	73,056,813	1,097,086,382

Policy Year	Ind. Losses Paid	On-level Factor^	Development Factor	Excess Provision	Adjusted Ind. Losses
2002	\$273,922,587	1.033	1.298	1.009	\$370,590,280
2003	277,356,715	1.024	1.432	1.009	410,367,375
2004	259,259,559	1.016	1.695	1.009	450,494,357
2005	187,778,208	1.014	2.363	1.009	453,981,373
2006	94,242,164	1.009	4.813	1.009	461,788,851

Policy Year	Med. Losses Paid	On-level Factor^	Development Factor	Excess Provision	Adjusted Med. Losses
2002	\$215,170,225	1.000	1.301	1.009	\$282,455,891
2003	228,003,331	1.000	1.354	1.009	311,494,959
2004	250,451,136	1.000	1.437	1.009	363,137,367
2005	235,204,331	1.000	1.615	1.009	383,273,690
2006	181,817,741	1.000	2.143	1.009	393,142,138

* Developed to a fifth report and on current premium level. See Exhibit II-E, Sheet 8.

** Developed to a fifth report and on current premium level. See Exhibit II-E, Sheet 2

^ See Appendix A-I for the derivation of the factors for years 2005 and 2006. Factors for the remaining years are calculated in a similar manner.

North Carolina - Assigned Risk Indicated Change in the Assigned Risk Differential Based on Paid+Case Losses

Policy Year	(1) <u>Residual Market</u>	(2) <u>Statewide Market</u>	(3) = (1) / (2) Ratio of Residual to Statewide Market	(4) Indicated Assigned Risk Pure Prem. Diff.^ (Std Basis)
I. Standard Pure Premium Valued as of 12/31/2007 *				
2002	\$67,291,582	\$814,716,998	0.083	
2003	86,580,912	901,503,406	0.096	
2004	85,226,625	973,734,515	0.088	
2005	85,912,131	1,046,920,581	0.082	
2006	73,056,813	1,097,086,382	0.067	
II. Paid + Case Loss Experience Valued as of 12/31/2007 **				
2002	\$67,914,152	\$641,238,879	0.106	1.283
2003	85,052,602	703,182,538	0.121	1.260
2004	107,749,905	790,176,411	0.136	1.554
2005	99,292,465	836,192,085	0.119	1.450
2006	80,000,108	827,814,148	0.097	1.457
			Average Differential ^	1.401
(a)	Indicated Differential in Standard Pure Premium Based on Experience			1.401
(b)	Current Impact of Standard Pure Premium Programs@			1.389
(c)	Indicated Change in Assigned Risk Pure Premium Differential = (a)/(b)			1.009

* Developed to fifth report and brought to the 4/1/2008 pure premium level.

** Brought to the 1/1/2008 benefit level.

^ This is the indicated pure premium differential based on loss experience, calculated by comparing the ratio of assigned risk and statewide losses to the ratio of assigned risk and statewide premium.

@ This is composed of an ARAP impact equal to 2.9% and a differential of 1.350. ARAP impact from Exhibit II-E, Sheet 9.

North Carolina - Assigned Risk (Residual Market)

Policy Year	(1) Standard Premium*	(2) On-level Factor^	(3) Effect of Current Standard Premium Programs#	(1) x ((2) / (3)) Stand. Pure Prem. at Current Level
2002	\$94,114,100	0.993	1.389	\$67,291,582
2003	123,159,192	0.976	1.389	86,580,912
2004	125,333,272	0.945	1.389	85,226,625
2005	131,565,285	0.907	1.389	85,912,131
2006	119,765,267	0.847	1.389	73,056,813

Policy Year	Ind. Losses Paid+Case	On-level Factor^	Development Factor	Excess Provision	Adjusted Ind. Losses
2002	\$32,963,457	1.033	1.102	1.009	\$37,862,199
2003	41,830,110	1.024	1.149	1.009	49,659,250
2004	44,893,579	1.016	1.248	1.009	57,435,935
2005	36,058,793	1.014	1.450	1.009	53,494,399
2006	21,853,095	1.009	1.987	1.009	44,207,215

Policy Year	Med. Losses Paid+Case	On-level Factor^	Development Factor	Excess Provision	Adjusted Med. Losses
2002	\$25,989,440	1.000	1.146	1.009	\$30,051,953
2003	30,135,441	1.000	1.164	1.009	35,393,352
2004	42,009,421	1.000	1.187	1.009	50,313,970
2005	36,663,619	1.000	1.238	1.009	45,798,066
2006	26,121,966	1.000	1.358	1.009	35,792,893

* Developed to a fifth report. See Exhibit II-E, Sheet 7.

^ See Appendix A-I for the derivation of the factors for years 2005 and 2006. Factors for the remaining years are calculated in a similar manner.

This is composed of an ARAP impact equal to 2.9% and a differential of 1.350. ARAP impact from Exhibit II-E, Sheet 9.

North Carolina - Assigned Risk (Statewide Market)

Policy Year	(1) Voluntary Standard Premium*	(2) Assigned Risk Standard Premium**	(3) = (1) + (2) Standard Pure Premium On-level		
2002	\$747,425,416	\$67,291,582	\$814,716,998		
2003	814,922,494	86,580,912	901,503,406		
2004	888,507,890	85,226,625	973,734,515		
2005	961,008,450	85,912,131	1,046,920,581		
2006	1,024,029,569	73,056,813	1,097,086,382		

Policy Year	Ind. Losses Paid+Case	On-level Factor^	Development Factor	Excess Provision	Adjusted Ind. Losses
2002	310,904,064	1.033	1.102	1.009	\$357,107,920
2003	326,834,245	1.024	1.149	1.009	388,006,237
2004	329,233,127	1.016	1.248	1.009	421,214,183
2005	298,337,571	1.014	1.450	1.009	442,593,543
2006	216,205,530	1.009	1.987	1.009	437,367,992

Policy Year	Med. Losses Paid+Case	On-level Factor^	Development Factor	Excess Provision	Adjusted Med. Losses
2002	245,721,283	1.000	1.146	1.009	\$284,130,959
2003	268,354,825	1.000	1.164	1.009	315,176,301
2004	308,063,342	1.000	1.187	1.009	368,962,228
2005	315,095,115	1.000	1.238	1.009	393,598,542
2006	284,951,020	1.000	1.358	1.009	390,446,156

* Developed to a fifth report and on current premium level. See Exhibit II-E, Sheet 8.

** Developed to a fifth report and on current premium level. See Exhibit II-E, Sheet 5

^ See Appendix A-I for the derivation of the factors for years 2005 and 2006. Factors for the remaining years are calculated in a similar manner.

**North Carolina - Assigned Risk
(Residual Market)**

Section A - Assigned Risk Premium Development Factors

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2003	115,694,945	115,022,576	0.994
2004	122,133,105	123,631,036	1.012
2005	127,942,574	130,780,601	1.022
Average			1.009
	<u>2nd Report</u>	<u>3rd Report</u>	
2002	88,831,230	88,760,372	0.999
2003	121,159,028	121,153,082	1.000
2004	123,631,036	123,935,613	1.002
Average			1.000
	<u>3rd Report</u>	<u>4th Report</u>	
2001	51,415,982	51,385,580	0.999
2002	93,273,216	93,124,227	0.998
2003	121,153,082	121,226,766	1.001
Average			0.999
	<u>4th Report</u>	<u>5th Report</u>	
2000	32,263,353	32,259,520	1.000
2001	54,091,687	55,124,329	1.019
2002	93,124,227	93,351,746	1.002
Average			1.007

Three-year average premium development factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.015	1.006	1.006	1.007

Section B - Calculation of Developed Assigned Risk Standard Premium

<u>Policy Year</u>	<u>Standard Premium</u>	<u>Development Factor</u>	<u>Developed Premium</u>
2002	94,114,100	1.000	94,114,100
2003	122,303,071	1.007	123,159,192
2004	124,585,757	1.006	125,333,272
2005	130,780,601	1.006	131,565,285
2006	117,995,337	1.015	119,765,267

**North Carolina - Assigned Risk
(Statewide Market)**

Section A - Voluntary Premium Development Factors

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2003	625,543,248	629,160,142	1.006
2004	725,684,136	731,899,362	1.009
2005	788,357,823	799,658,411	1.014
Average			1.010
	<u>2nd Report</u>	<u>3rd Report</u>	
2002	584,176,021	583,835,516	0.999
2003	674,198,882	673,433,462	0.999
2004	731,899,362	730,099,470	0.998
Average			0.999
	<u>3rd Report</u>	<u>4th Report</u>	
2001	573,855,043	573,523,669	0.999
2002	617,329,609	616,650,748	0.999
2003	673,433,462	673,095,586	0.999
Average			0.999
	<u>4th Report</u>	<u>5th Report</u>	
2000	592,681,756	592,241,793	0.999
2001	595,887,023	595,618,342	1.000
2002	619,414,131	619,252,943	1.000
Average			1.000

Three-year average premium development factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.008	0.998	0.999	1.000

Section B - Calculation of Developed Voluntary Standard Premium

<u>Policy Year</u>	<u>Standard Premium</u>	<u>Development Factor</u>	<u>Developed Premium</u>
2002	623,894,337	1.000	623,894,337
2003	677,408,557	1.000	677,408,557
2004	734,432,112	0.999	733,697,680
2005	803,784,907	0.998	802,177,337
2006	907,055,670	1.008	914,312,115

Section C - Calculation of Developed Voluntary Standard Premium

<u>Policy Year</u>	<u>Voluntary Premium*</u>	<u>Voluntary On-level Factor**</u>	<u>Voluntary Prem Dev't & On-level</u>
2002	623,894,337	1.198	747,425,416
2003	677,408,557	1.203	814,922,494
2004	733,697,680	1.211	888,507,890
2005	802,177,337	1.198	961,008,450
2006	914,312,115	1.120	1,024,029,569

* Exhibit II-E, Sheet 8, Section B.

** See Appendix A-I for the derivation of the figures for years 2005 and 2006.

North Carolina - Assigned Risk

Impact of the Assigned Risk Adjustment Program*

<u>Type of Risk</u>	(1) Experience Modified <u>Premium</u>	(2) ARAP <u>Premium</u>	(3) ARAP Impact <u>(2) / (1)</u>
Risks with Credit Mods	\$20,405,640	\$20,405,815	1.000
Risks with Debit Mods	11,253,395	13,747,100	1.222
Risks with Mods of 1.00	302,737	303,827	1.004
Risks with No Mods	<u>52,722,264</u>	<u>52,722,264</u>	<u>1.000</u>
Totals	\$84,684,036	\$87,179,006	1.029

* Source: North Carolina Rate Bureau

WORKERS COMPENSATION AND EMPLOYERS LIABILITY
Exhibit III

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
0005X	6.11	850	1.65	0.14	0.38	1925	5.96	850	1.78	0.17	0.37
0008	3.73	850	1.04	0.15	0.39	2001	5.51	850	1.60	0.16	0.35
0016X	10.62	850	2.78	0.13	0.32	2002	5.87	850	1.72	0.16	0.32
0034	5.38	850	1.50	0.15	0.32	2003	4.59	850	1.25	0.16	0.33
0035X	4.66	850	1.36	0.16	0.36	2014	9.52	850	2.27	0.12	0.28
0036	7.80	850	2.07	0.13	0.30	2016	4.84	850	1.36	0.15	0.34
0037	7.29	850	1.92	0.13	0.34	2021X	6.36	850	1.57	0.11	0.23
0042	9.08	850	2.50	0.15	0.36	2039	9.10	850	2.50	0.14	0.31
0050X	28.21	850	7.68	0.15	0.50	2041	6.36	850	1.78	0.15	0.33
0059D	0.78	-	0.10	0.13	-	2065	7.56	850	2.05	0.14	0.32
0065D	0.18	-	0.02	0.15	-	2070	8.48	850	2.26	0.13	0.28
0066D	0.18	-	0.02	0.15	-	2081	6.53	850	1.87	0.16	0.35
0067D	0.18	-	0.02	0.15	-	2089	9.08	850	2.61	0.16	0.33
0079X	4.57	850	1.23	0.16	0.37	2095	9.30	850	2.73	0.17	0.36
0083	6.06	850	1.64	0.14	0.34	2105	4.22	850	1.28	0.17	0.37
0106	36.89	850	8.97	0.13	0.29	2110	2.70	750	0.79	0.17	0.38
0113	6.51	850	1.92	0.17	0.36	2111	4.93	850	1.48	0.18	0.43
0170	4.97	850	1.34	0.14	0.29	2112	7.32	850	1.96	0.14	0.35
0251	8.12	850	2.18	0.14	0.30	2114	4.26	850	1.23	0.16	0.34
0400	14.79	850	4.04	0.14	0.30	2121	8.32	850	2.20	0.13	0.24
0401	14.85	A	3.59	0.12	0.30	2130	4.79	850	1.35	0.15	0.33
0763FN	3.75	-	-	-	-	2131	4.50	850	1.34	0.17	0.37
0771N	1.03	-	-	-	-	2143	5.62	850	1.51	0.14	0.35
0908P	263.00	513	87.41	0.20	0.32	2150	-	-	3.67	0.15	-
0909	-	-	87.41	0.20	-	2156	-	-	2.70	0.13	-
0912	-	-	181.91	0.16	-	2157	10.41	850	2.70	0.13	0.29
0913P	638.00	850	181.91	0.16	0.33	2172X	3.84	850	1.08	0.15	0.24
0917	5.53	850	1.71	0.19	0.40	2174X	5.96	850	1.68	0.14	0.33
1005*	23.07	850	2.96	0.11	0.23	2211	18.26	850	4.62	0.14	0.40
1164	24.58	850	5.17	0.11	0.29	2220	5.38	850	1.51	0.15	0.32
1165XE	6.98	850	1.65	0.12	0.26	2286	2.16	650	0.63	0.16	0.33
1320	6.83	850	1.52	0.10	0.24	2288	6.91	850	1.88	0.14	0.36
1322	26.92	850	6.07	0.10	0.24	2300	6.27	850	1.82	0.15	0.32
1430	6.91	850	1.81	0.14	0.30	2302	3.39	850	0.94	0.15	0.32
1438	4.79	850	1.27	0.15	0.28	2305	3.72	850	0.99	0.13	0.29
1452	8.03	850	2.12	0.15	0.28	2361	3.44	850	1.02	0.17	0.34
1463	25.18	850	6.31	0.14	0.33	2362	4.21	850	1.16	0.15	0.34
1470X	7.83	850	1.92	0.13	0.26	2380	3.77	850	1.04	0.14	0.29
1473X	4.37	850	1.09	0.13	0.28	2386	1.87	596	0.51	0.14	0.27
1474X	5.04	850	1.29	0.13	0.26	2388	4.73	850	1.36	0.16	0.36
1624E	7.05	850	1.77	0.13	0.25	2402	5.26	850	1.38	0.15	0.32
1642	9.64	850	2.19	0.10	0.22	2413	4.48	850	1.26	0.15	0.34
1654	16.04	850	3.81	0.12	0.23	2416	2.56	724	0.81	0.19	0.39
1655	11.86	850	2.83	0.12	0.31	2417	3.68	850	0.96	0.13	0.26
1699	5.15	850	1.33	0.14	0.30	2501	4.19	850	1.21	0.16	0.33
1701	11.26	850	2.88	0.15	0.39	2503	2.03	626	0.58	0.15	0.32
1710	10.06	850	2.57	0.14	0.30	2534	3.35	850	1.04	0.18	0.35
1741D	4.88	850	0.99	0.13	0.31	2570	5.84	850	1.56	0.14	0.29
1747	5.13	850	1.20	0.11	0.23	2576	-	-	1.21	0.16	-
1748	9.10	850	2.27	0.13	0.33	2578	-	-	1.21	0.16	-
1803D	14.66	850	3.01	0.12	0.30	2585	6.25	850	1.76	0.15	0.33
1852D	5.62	850	1.45	0.15	0.36	2586	3.39	850	1.09	0.20	0.36
1853	4.22	850	1.18	0.15	0.27	2587	6.00	850	1.68	0.15	0.36
1860	4.66	850	1.30	0.15	0.36	2589	3.55	850	1.04	0.16	0.34
1924	6.00	850	1.57	0.13	0.29	2600	3.83	850	0.99	0.12	0.25

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

NORTH CAROLINA

Exhibit III

Page S2

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
2623	6.83	850	2.00	0.17	0.38	3126	5.26	850	1.46	0.15	0.30
2651	5.57	850	1.51	0.15	0.41	3131	1.98	616	0.59	0.17	0.39
2660	4.51	850	1.43	0.19	0.36	3132	7.03	850	1.94	0.16	0.35
2670	3.14	831	0.96	0.17	0.37	3145	4.70	850	1.43	0.18	0.32
2683	3.68	850	1.14	0.19	0.38	3146	4.53	850	1.27	0.15	0.32
2688	8.32	850	2.34	0.16	0.43	3169	5.18	850	1.52	0.17	0.35
2702	23.30	850	5.75	0.13	0.32	3175	5.38	850	1.70	0.19	0.40
2705X*	72.06	850	22.23	0.19	0.23	3179	3.26	850	0.94	0.16	0.32
2706X	-	-	5.75	0.13	-	3180	5.26	850	1.51	0.16	0.32
2709	23.30	850	5.75	0.13	0.32	3188	3.35	850	0.94	0.15	0.32
2710	21.92	850	5.53	0.14	0.38	3220	3.92	850	1.11	0.15	0.29
2714	9.12	850	2.53	0.15	0.40	3223	4.17	850	1.25	0.17	0.39
2727X	18.55	850	4.06	0.10	0.23	3224	6.22	850	1.83	0.16	0.30
2731	8.90	850	2.48	0.15	0.38	3227	7.76	850	2.00	0.12	0.26
2735	7.34	850	2.19	0.17	0.40	3240	4.84	850	1.32	0.14	0.34
2759	9.66	850	2.69	0.15	0.36	3241	8.74	850	2.53	0.16	0.33
2790	4.79	850	1.41	0.16	0.32	3255	3.86	850	1.11	0.15	0.34
2791X	3.70	850	1.19	0.19	0.38	3257	4.37	850	1.30	0.17	0.34
2797X	11.71	850	3.22	0.15	0.36	3270	5.13	850	1.41	0.15	0.35
2802	7.90	850	2.23	0.15	0.32	3300	10.41	850	2.90	0.14	0.31
2812	8.05	850	2.24	0.15	0.30	3303	7.00	850	1.86	0.13	0.30
2835	3.68	850	1.15	0.18	0.41	3307	10.79	850	2.79	0.13	0.35
2836	4.12	850	1.31	0.18	0.34	3315	9.72	850	2.61	0.14	0.33
2841	6.07	850	1.80	0.17	0.38	3334	5.37	850	1.43	0.13	0.24
2881	5.80	850	1.70	0.16	0.35	3336	4.97	850	1.38	0.15	0.32
2883	5.73	850	1.66	0.16	0.33	3365	21.83	850	5.03	0.11	0.25
2913	5.09	850	1.72	0.22	0.46	3372	5.53	850	1.49	0.16	0.35
2915	10.84	850	2.92	0.14	0.40	3373	11.60	850	3.21	0.15	0.36
2916	5.95	850	1.64	0.15	0.32	3383	2.41	696	0.71	0.17	0.34
2923	4.42	850	1.35	0.17	0.32	3385	2.18	653	0.65	0.17	0.36
2942	3.90	850	1.25	0.19	0.35	3400	6.25	850	1.72	0.15	0.33
2960	6.65	850	1.79	0.14	0.31	3507	5.06	850	1.37	0.14	0.27
3004	3.77	850	0.93	0.13	0.26	3515	5.18	850	1.37	0.13	0.27
3018	6.42	850	1.77	0.15	0.36	3516X	3.23	848	0.96	0.16	0.26
3022	7.09	850	1.97	0.15	0.32	3548	3.32	850	0.94	0.15	0.30
3027	6.00	850	1.65	0.14	0.32	3559	7.70	850	2.01	0.13	0.37
3028	11.48	850	3.27	0.16	0.45	3574	1.92	605	0.53	0.15	0.32
3030	11.00	850	2.87	0.14	0.28	3581	4.55	850	1.27	0.15	0.35
3040	10.12	850	2.67	0.15	0.33	3612	3.39	850	0.98	0.16	0.33
3041	8.05	850	2.16	0.14	0.29	3620	11.46	850	2.75	0.12	0.30
3042	5.37	850	1.63	0.18	0.35	3629	4.33	850	1.21	0.15	0.36
3064	11.20	850	2.82	0.12	0.31	3632	5.46	850	1.57	0.16	0.33
3066	-	-	1.72	0.15	-	3634	3.10	824	0.93	0.17	0.31
3069	15.43	850	3.78	0.13	0.32	3635	6.16	850	1.59	0.12	0.24
3076	6.07	850	1.72	0.15	0.34	3638	3.32	850	0.96	0.16	0.33
3081D	6.40	850	1.63	0.15	0.36	3642	1.27	485	0.36	0.15	0.29
3082D	9.79	850	2.53	0.15	0.34	3643	5.09	850	1.31	0.12	0.30
3085D	7.62	850	2.00	0.15	0.31	3647	5.53	850	1.54	0.14	0.28
3110	7.81	850	2.24	0.15	0.28	3648	2.63	737	0.80	0.18	0.36
3111	6.73	850	1.94	0.16	0.36	3681	2.85	777	0.85	0.17	0.34
3113	3.64	850	1.06	0.16	0.31	3685	2.65	740	0.75	0.15	0.31
3114	6.22	850	1.72	0.15	0.33	3719	3.63	850	0.84	0.11	0.21
3118	6.38	850	1.73	0.14	0.36	3724	9.75	850	2.37	0.12	0.29
3119	1.34	498	0.44	0.20	0.40	3726	11.75	850	2.59	0.11	0.20
3122	4.19	850	1.36	0.20	0.36	3803	5.24	850	1.40	0.13	0.28

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

NORTH CAROLINA

Exhibit III

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Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
3807	3.97	850	1.13	0.15	0.33	4431	2.72	753	0.80	0.16	0.36
3808	4.62	850	1.22	0.13	0.25	4432	2.68	746	0.81	0.17	0.40
3821	7.47	850	1.93	0.14	0.29	4439	3.44	850	0.91	0.15	0.29
3822X	11.46	850	2.95	0.13	0.31	4452	6.45	850	1.75	0.14	0.34
3824X	7.80	850	2.25	0.16	0.30	4459	5.15	850	1.43	0.15	0.33
3826	1.92	605	0.52	0.14	0.30	4470	3.83	850	0.99	0.14	0.32
3827	2.79	766	0.81	0.16	0.38	4484	6.02	850	1.69	0.15	0.37
3830	5.71	850	1.37	0.12	0.28	4493	9.26	850	2.44	0.13	0.34
3851	5.17	850	1.42	0.14	0.39	4511	1.00	435	0.27	0.13	0.30
3865	3.97	850	1.14	0.15	0.30	4557	3.52	850	1.03	0.16	0.35
3881	7.83	850	2.07	0.13	0.30	4558	3.70	850	1.01	0.14	0.32
4000	12.18	850	2.97	0.12	0.27	4561	4.15	850	0.98	0.10	0.19
4021	10.08	850	2.64	0.13	0.32	4568	4.84	850	1.16	0.12	0.30
4024E	7.12	850	1.78	0.13	0.30	4581	2.39	692	0.58	0.13	0.30
4034	11.68	850	2.99	0.14	0.31	4583	10.19	850	2.40	0.12	0.32
4036	5.78	850	1.46	0.13	0.27	4611	1.07	448	0.31	0.15	0.31
4038	9.83	850	2.70	0.14	0.41	4635	4.28	850	0.99	0.13	0.29
4053	6.00	850	1.51	0.12	0.32	4653	5.09	850	1.47	0.16	0.28
4061	9.75	850	2.67	0.14	0.27	4665	16.86	850	3.98	0.12	0.30
4062	3.86	850	1.11	0.16	0.30	4670	7.67	850	1.96	0.14	0.29
4101	3.21	844	0.84	0.15	0.32	4683	5.44	850	1.59	0.16	0.32
4111	5.67	850	1.55	0.14	0.33	4686	3.35	850	0.86	0.14	0.32
4112	3.41	850	1.01	0.17	0.33	4692	1.21	474	0.33	0.14	0.27
4113	3.44	850	0.97	0.15	0.29	4693	1.89	600	0.52	0.15	0.34
4114	11.73	850	3.13	0.13	0.28	4703	4.91	850	1.19	0.11	0.24
4130	11.39	850	3.10	0.14	0.31	4717	4.41	850	1.31	0.16	0.32
4131	9.57	850	2.51	0.13	0.35	4720	2.86	779	0.85	0.17	0.32
4133	4.99	850	1.47	0.17	0.37	4740	7.32	850	1.80	0.13	0.37
4150	1.07	448	0.31	0.16	0.32	4741	3.03	811	0.81	0.14	0.29
4206	6.33	850	1.63	0.12	0.27	4751	6.54	850	1.84	0.17	0.39
4207	2.92	790	0.79	0.14	0.28	4771N	5.86	850	1.39	0.14	0.39
4239	7.03	850	1.76	0.13	0.28	4777	9.55	850	2.31	0.12	0.26
4240	4.01	850	1.12	0.15	0.34	4825	2.25	666	0.60	0.15	0.31
4243	4.26	850	1.21	0.16	0.34	4828	4.59	850	1.11	0.12	0.26
4244	4.33	850	1.23	0.15	0.30	4829	3.08	820	0.72	0.11	0.25
4250	3.32	850	0.96	0.16	0.35	4902	4.82	850	1.51	0.19	0.38
4251	3.08	820	0.89	0.16	0.32	4923	2.01	622	0.56	0.14	0.28
4263	9.45	850	2.63	0.16	0.48	5020	20.47	850	4.91	0.12	0.33
4273	3.70	850	1.13	0.18	0.34	5022	11.33	850	2.87	0.14	0.31
4279	4.97	850	1.40	0.16	0.38	5037	63.67	850	13.06	0.10	0.22
4282	3.17	836	0.88	0.15	0.29	5040	62.71	850	13.67	0.12	0.34
4283	6.33	850	1.65	0.13	0.27	5057	20.69	850	4.21	0.10	0.22
4299	3.35	850	0.96	0.15	0.31	5059	72.70	850	16.23	0.12	0.32
4301X	2.34	683	0.64	0.14	0.26	5069	58.65	850	12.14	0.08	0.16
4304	6.07	850	1.73	0.15	0.33	5102	10.88	850	2.71	0.13	0.30
4307	2.34	683	0.71	0.17	0.37	5146	9.39	850	2.40	0.14	0.28
4308	-	-	0.96	0.15	-	5160	10.33	850	2.34	0.11	0.25
4351	1.72	568	0.50	0.16	0.31	5183	9.46	850	2.37	0.13	0.29
4352	2.25	666	0.72	0.20	0.39	5188	10.53	850	2.74	0.14	0.27
4360	2.36	687	0.68	0.16	0.32	5190	10.73	850	2.71	0.14	0.32
4361	3.01	807	0.82	0.15	0.35	5191	1.38	505	0.35	0.13	0.29
4362	2.61	733	0.73	0.17	0.38	5192	8.27	850	2.20	0.13	0.29
4410	7.60	850	2.10	0.15	0.36	5213	18.29	850	4.49	0.13	0.32
4417X	4.31	850	1.28	0.17	0.29	5215	7.61	850	1.89	0.11	0.24
4420	12.67	850	2.86	0.10	0.18	5221	8.30	850	2.01	0.13	0.31

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
5222	24.24	850	5.06	0.11	0.29	6702M*	34.12	850	8.22	0.13	0.32
5223	9.86	850	2.56	0.15	0.35	6703M*	70.18	850	15.51	0.13	0.32
5348	9.08	850	2.20	0.12	0.27	6704M*	37.91	850	9.13	0.13	0.32
5402	7.63	850	2.17	0.15	0.34	6801F	5.58	850	1.46	0.18	0.33
5403	16.19	850	4.07	0.14	0.31	6811	5.86	850	1.61	0.15	0.27
5437	12.67	850	3.26	0.14	0.30	6824F	12.40	850	2.83	0.14	0.35
5443	11.28	850	2.89	0.12	0.28	6826F	11.58	850	2.62	0.13	0.29
5445	15.37	850	3.89	0.13	0.28	6834	4.97	850	1.30	0.15	0.30
5462	14.23	850	3.51	0.13	0.35	6836	8.12	850	2.17	0.16	0.41
5472	12.45	850	2.94	0.12	0.25	6843F	19.52	850	4.25	0.13	0.35
5473	12.64	850	2.98	0.12	0.27	6845F	25.24	850	5.60	0.14	0.40
5474	11.44	850	2.98	0.15	0.34	6854	11.28	850	3.08	0.17	0.31
5478	9.16	850	2.31	0.13	0.29	6872F	31.24	850	6.15	0.09	0.11
5479	12.38	850	3.07	0.13	0.29	6874F	49.29	850	10.73	0.12	0.35
5480	14.68	850	3.67	0.13	0.21	6882	9.23	850	2.09	0.12	0.20
5491	6.64	850	1.57	0.12	0.29	6884	19.69	850	4.58	0.11	0.22
5506	13.76	850	3.30	0.13	0.36	7016M	12.20	850	2.69	0.11	0.18
5507	8.39	850	2.00	0.12	0.25	7024M	13.56	850	2.99	0.11	0.18
5508	44.52	850	10.80	0.14	0.46	7038M	12.16	850	3.22	0.17	0.35
5535	15.43	850	3.78	0.13	0.32	7046M	13.61	850	3.83	0.18	0.33
5536	-	-	3.06	0.14	-	7047M	25.11	850	5.08	0.11	0.18
5537	11.87	850	3.06	0.14	0.32	7050M	25.04	850	6.08	0.17	0.35
5538	-	-	3.78	0.13	-	7090M	13.52	850	3.58	0.17	0.35
5551	26.41	850	6.59	0.13	0.33	7098M	15.12	850	4.25	0.18	0.33
5606	3.68	850	0.91	0.13	0.30	7099M	27.99	850	7.22	0.18	0.33
5610	11.80	850	3.25	0.15	0.34	7133	8.97	850	2.42	0.15	0.32
5645	25.60	850	6.38	0.13	0.32	7151M	10.90	850	2.94	0.15	0.32
5651	16.57	850	4.18	0.13	0.30	7152M	22.43	850	5.55	0.15	0.32
5703	33.32	850	8.03	0.13	0.33	7153M	12.11	850	3.27	0.15	0.32
5705	12.24	850	2.80	0.11	0.24	7222	19.83	850	4.60	0.11	0.25
5951	0.73	385	0.20	0.14	0.33	7228	19.38	850	4.54	0.11	0.23
6003	17.48	850	4.22	0.12	0.27	7229	17.64	850	4.17	0.12	0.24
6005	11.71	850	2.85	0.12	0.26	7230	16.32	850	4.07	0.13	0.25
6017	12.73	850	2.76	0.09	0.20	7231	11.49	850	3.11	0.15	0.31
6018	5.84	850	1.31	0.10	0.16	7232	16.30	850	3.76	0.11	0.26
6045	7.58	850	1.80	0.12	0.28	7309F	31.87	850	6.66	0.10	0.28
6204	29.50	850	7.14	0.13	0.33	7313F	6.36	850	1.40	0.13	0.31
6206	10.62	850	2.25	0.10	0.21	7317F	14.68	850	3.60	0.15	0.24
6213	7.76	850	1.68	0.09	0.20	7323FNX	8.77	850	1.89	0.08	0.10
6214	6.07	850	1.49	0.13	0.27	7327F	16.08	850	3.51	0.13	0.32
6216	15.77	850	3.62	0.11	0.25	7333M	9.88	850	2.06	0.09	0.15
6217	11.86	850	2.89	0.13	0.31	7335M	10.99	850	2.29	0.09	0.15
6229	9.90	850	2.45	0.11	0.27	7337M	20.34	850	3.89	0.09	0.15
6233	11.93	850	2.80	0.12	0.27	7350F	16.41	850	3.79	0.13	0.27
6235	25.78	850	5.63	0.10	0.21	7360	13.78	850	3.40	0.13	0.33
6236	33.79	850	7.64	0.10	0.24	7370	8.39	850	2.36	0.15	0.33
6237	5.28	850	1.18	0.10	0.23	7380	9.21	850	2.23	0.12	0.27
6251D	27.93	850	6.03	0.13	0.47	7382	11.73	850	3.14	0.15	0.33
6252D	15.25	850	3.05	0.09	0.19	7390	9.05	850	2.37	0.15	0.33
6260	12.51	850	2.58	0.10	0.18	7394M	23.57	850	4.41	0.07	0.13
6306	15.10	850	3.55	0.12	0.26	7395M	26.18	850	4.90	0.07	0.13
6319	10.99	850	2.66	0.13	0.32	7398M	48.46	850	8.33	0.07	0.13
6325	25.14	850	6.15	0.13	0.32	7403	7.61	850	2.16	0.15	0.32
6400	11.44	850	3.14	0.14	0.27	7405N	1.76	683	0.50	0.17	0.31
6504	4.77	850	1.34	0.15	0.31	7409	-	-	8.32	0.06	-

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

NORTH CAROLINA

Exhibit III

Page S5

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
7420	48.88	850	8.32	0.06	0.12	8106	8.10	850	2.16	0.15	0.31
7421	3.32	850	0.85	0.14	0.26	8107	7.65	850	2.00	0.15	0.35
7422	6.20	850	1.16	0.07	0.15	8111	4.42	850	1.22	0.15	0.35
7423	-	-	2.16	0.15	-	8116	5.71	850	1.56	0.14	0.35
7425	17.46	850	3.28	0.07	0.15	8203	13.51	850	3.67	0.15	0.40
7431N	7.03	850	1.44	0.09	0.15	8204	5.96	850	1.48	0.13	0.28
7445N	0.58	-	-	-	-	8209	4.80	850	1.31	0.14	0.29
7453N	2.34	-	-	-	-	8215	6.74	850	1.78	0.15	0.39
7502	8.34	850	2.09	0.14	0.36	8227	9.32	850	2.29	0.13	0.29
7515	3.25	850	0.75	0.13	0.34	8232	7.12	850	1.80	0.14	0.32
7520	7.49	850	1.89	0.14	0.30	8233	11.11	850	2.61	0.11	0.23
7529X	13.03	850	2.87	0.12	0.31	8235	10.46	850	2.77	0.14	0.36
7538	29.01	850	6.25	0.11	0.30	8236X	8.39	850	2.06	0.13	0.28
7539	6.65	850	1.51	0.10	0.22	8263	17.91	850	4.69	0.13	0.34
7540	8.10	850	1.86	0.13	0.29	8264	9.84	850	2.64	0.14	0.33
7580	4.93	850	1.28	0.14	0.29	8265	14.38	850	3.43	0.12	0.33
7590	7.18	850	1.83	0.12	0.31	8279	13.11	850	3.84	0.16	0.34
7600	7.58	850	1.95	0.14	0.28	8288	10.12	850	2.65	0.13	0.38
7601	20.45	850	4.71	0.11	0.29	8291	16.50	850	4.74	0.17	0.48
7605	6.76	850	1.58	0.11	0.26	8292	6.54	850	1.81	0.14	0.30
7610	1.40	509	0.35	0.13	0.34	8293	16.41	850	4.48	0.14	0.26
7611	12.98	850	3.32	0.14	0.27	8304	9.39	850	2.26	0.12	0.30
7612	22.55	850	5.35	0.12	0.32	8350	10.75	850	2.71	0.13	0.29
7613	15.28	850	3.52	0.11	0.24	8380	5.60	850	1.40	0.13	0.30
7704	-	-	1.51	0.13	-	8381	4.37	850	1.21	0.15	0.38
7705	8.39	850	2.36	0.15	0.33	8385	7.51	850	1.90	0.14	0.36
7710	6.18	850	1.51	0.13	0.29	8392	4.66	850	1.35	0.16	0.34
7711	6.18	850	1.51	0.13	0.29	8393	4.12	850	1.02	0.13	0.28
7720X	4.50	850	1.16	0.14	0.31	8500	15.17	850	3.59	0.12	0.33
7723X	4.66	850	1.19	0.15	0.34	8601	1.92	605	0.48	0.13	0.29
7855	28.08	850	6.76	0.13	0.32	8606	6.94	850	1.72	0.13	0.25
8001	2.56	724	0.78	0.17	0.34	8709F	6.40	850	1.51	0.15	0.33
8002	3.64	850	1.04	0.16	0.37	8710X	4.84	850	1.05	0.10	0.30
8006	4.91	850	1.39	0.16	0.37	8719	3.52	850	0.90	0.14	0.26
8008	2.77	762	0.79	0.16	0.38	8720	3.37	850	0.85	0.14	0.35
8010	3.32	850	0.97	0.16	0.38	8721	1.16	465	0.29	0.14	0.36
8013	1.02	439	0.27	0.14	0.30	8726F	7.47	850	1.63	0.13	0.35
8015	2.16	650	0.58	0.15	0.45	8734M	1.23	478	0.33	0.14	0.32
8017	3.34	850	0.97	0.16	0.36	8737M	1.11	455	0.30	0.14	0.32
8018	4.31	850	1.23	0.16	0.33	8738M	2.27	670	0.53	0.14	0.32
8021	4.39	850	1.25	0.16	0.37	8742	0.91	418	0.23	0.14	0.32
8031	4.73	850	1.34	0.15	0.34	8745	9.01	850	2.63	0.16	0.32
8032	4.59	850	1.29	0.15	0.38	8748	1.65	555	0.41	0.13	0.30
8033	3.54	850	1.02	0.16	0.33	8755	0.78	394	0.20	0.13	0.25
8039	5.55	850	1.65	0.17	0.43	8799	1.72	568	0.54	0.18	0.34
8044	7.43	850	1.96	0.13	0.29	8800	1.72	568	0.54	0.18	0.34
8045	1.21	474	0.35	0.16	0.36	8803	0.20	287	0.05	0.15	0.31
8046	5.22	850	1.48	0.16	0.42	8805M	0.71	381	0.20	0.15	0.33
8047	1.83	589	0.47	0.13	0.30	8810	0.53	348	0.15	0.15	0.33
8050	-	-	0.97	0.16	-	8814M	0.63	367	0.18	0.15	0.33
8058	4.99	850	1.44	0.16	0.38	8815M	1.31	492	0.34	0.15	0.33
8072	1.58	542	0.45	0.16	0.38	8820	0.44	331	0.11	0.14	0.31
8102	4.50	850	1.19	0.14	0.37	8824	6.58	850	1.93	0.16	0.33
8103	4.35	850	1.19	0.15	0.38	8825	4.12	850	1.15	0.15	0.36
8105	6.54	850	1.73	0.13	0.35	8826	4.79	850	1.39	0.16	0.37

* Refer to the Footnotes Page for additional information on this class code.

WORKERS COMPENSATION AND EMPLOYERS LIABILITY

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO	CLASS CODE	RATE	MIN PREM	ELR	D RATIO	EX-MED RATIO
8831	2.43	700	0.72	0.17	0.43	9600	3.97	850	1.10	0.15	0.33
8832	0.71	381	0.18	0.15	0.32	9620	1.76	576	0.45	0.14	0.32
8833*	3.54	850	0.95	0.14	0.34						
8835	4.62	850	1.33	0.16	0.32						
8837aX*	a	a	a	a	a						
8848X	6.04	850	1.73	0.16	0.34						
8849X	5.47	850	1.50	0.14	0.31						
8868	0.89	415	0.26	0.17	0.40						
8869	1.67	559	0.52	0.19	0.43						
8871	0.56	354	0.19	0.20	0.35						
8901	0.54	350	0.15	0.15	0.33						
9012	3.35	850	0.84	0.13	0.32						
9014	5.75	850	1.59	0.15	0.34						
9015	5.47	850	1.41	0.14	0.32						
9016	5.64	850	1.61	0.16	0.43						
9019	3.99	850	1.05	0.15	0.29						
9033	3.68	850	1.01	0.14	0.28						
9040*	6.15	850	1.77	0.16	0.38						
9044	2.90	787	0.87	0.17	0.39						
9052	3.79	850	1.11	0.17	0.37						
9058	2.45	703	0.71	0.17	0.37						
9059	6.31	850	1.94	0.18	0.40						
9060	2.97	799	0.83	0.15	0.38						
9061	2.65	740	0.81	0.18	0.40						
9062	2.90	787	0.93	0.20	0.41						
9063	1.65	555	0.46	0.17	0.44						
9077F	2.12	642	0.55	0.16	0.31						
9082	2.96	798	0.87	0.17	0.40						
9083	2.85	777	0.82	0.16	0.37						
9084	2.56	724	0.70	0.15	0.35						
9089	1.20	472	0.33	0.14	0.30						
9093	3.34	850	1.00	0.17	0.42						
9101	5.77	850	1.69	0.17	0.37						
9102	5.57	850	1.54	0.15	0.39						
9154	3.52	850	0.90	0.14	0.36						
9156	4.42	850	1.32	0.17	0.37						
9170	5.75	850	1.59	0.15	0.34						
9178	18.00	850	5.42	0.18	0.47						
9179	50.56	850	13.26	0.13	0.37						
9180	11.53	850	3.09	0.14	0.36						
9182	3.21	844	0.96	0.18	0.46						
9186	64.67	850	15.55	0.14	0.46						
9220	8.63	850	2.46	0.16	0.35						
9402	12.47	850	3.07	0.13	0.32						
9403	14.56	850	3.66	0.14	0.32						
9410	3.57	850	1.01	0.15	0.31						
9501	4.77	850	1.38	0.16	0.32						
9505	8.32	850	2.17	0.13	0.33						
9516	5.09	850	1.27	0.13	0.26						
9519	8.10	850	1.95	0.12	0.31						
9521	7.87	850	2.07	0.15	0.35						
9522	3.23	848	0.92	0.16	0.32						
9534	15.86	850	3.56	0.10	0.24						
9554	25.91	850	6.10	0.12	0.29						
9586	1.07	448	0.33	0.17	0.32						

* Refer to the Footnotes Page for additional information on this class code.

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

FOOTNOTES

- a Rate for each individual risk must be obtained by Home Office from Rating Organization having jurisdiction.
- A Minimum Premium \$100 per ginning location for policy minimum premium computation.
- D Rate for classification already includes the specific disease loading shown in the table below. See Rule 3-A-7 of the **Basic Manual**.
- E Rate for classification already includes the specific disease loading shown in the table below.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.78	S	1624E	0.05	S	3082D	0.16	S
0065D	0.18	S	1741D	0.67	S	3085D	0.15	S
0066D	0.18	S	1803D	1.23	S	4024E	0.07	S
0067D	0.18	S	1852D	0.18	Asb	6251D	0.16	S
1165XE	0.07	S	3081D	0.11	S	6252D	0.13	S

Asb=Asbestos, S=Silica

- F Rate provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Rate includes a provision for federal assessment.
- M Rate provides for coverage under Admiralty Law and Federal Employers' Liability Act (FELA). A provision for the USL& HW assessment is included for those classifications under Program II USL Act.
- N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding rate are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7323F	0763F
7405	7445
7431	7453

- P Classification is computed on a per capita basis.
- X Refer to special classification phraseology in these pages which is applicable in this state.

*** Class Codes with Specific Footnotes**

- 1005 Rate includes a non-ratable disease element of \$9.55. (For coverage written separately for federal benefits only, \$3.59. For coverage written separately for state benefits only, \$5.96.)
- 2705 An upset payroll of \$4.00 per cord shall be used for premium computation purposes in all instances.
- 6702 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code rate and elr each x 1.215.
- 6703 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate x 2.499 and elr x 2.294.
- 6704 Rate and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class rate and elr each x 1.35.
- 8833 The ex-medical rate for this classification is \$2.34.
- 8837 Effective 10/1/2009, per the approval of NCCI Item Filing 01-NC-2006 (as discussed in NCRB Circular C-07-04), this code is discontinued and codes 8864 and 8842 are established. Based on the information contained in this filing, the values for the newly-established codes effective 10/1/2009 are:

	Rate	Min Prem	ELR	D Ratio	Ex-Med
8842	4.17	850	1.20	0.16	0.35
8864	4.17	850	1.20	0.16	0.35

- 9040 The ex-medical rate for this classification is \$3.81.

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES

Basis of premium applicable in accordance with **Basic Manual** footnote instructions for Code 7370 --"Taxicab Co.":

Employee operated vehicle.....	\$54,375.00
Leased or rented vehicle.....	\$36,250.00

Catastrophe (other than Certified Acts of Terrorism) (Assigned Risk)..... \$0.01

Expense Constant applicable in accordance with **Basic Manual** Rule 3-A-11..... \$250.00

Loss Sensitive Rating Plan (LSRP) - The factors which are used in the calculation of the LSRP are as follows:

Basic Premium Factor	0.30	Loss Development Factors	
Minimum Premium Factor	0.75	1st Adjustment	0.27
Maximum Premium Factor	1.75	2nd Adjustment	0.19
Loss Conversion Factor	1.16	3rd Adjustment	0.15
Tax Multiplier	1.030	4th Adjustment	0

Maximum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers of a corporation" and the **Basic Manual** footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," Code 9179 -- "Athletic Sports or Park: Contact Sports," and Code 9186 -- "Carnival--Traveling"..... \$1,400.00

Minimum Payroll applicable in accordance with **Basic Manual** Rule 2-E-1 -- "Executive Officers" \$349.00

Per Passenger Seat Surcharge - In accordance with **Basic Manual** footnote instructions for Code 7421, the surcharge is:

Maximum surcharge per aircraft.....	\$1,000.00
Per passenger seat.....	\$100.00

Premium Determination for Partners and Sole Proprietors in accordance with **Basic Manual** Rule 2-E-3..... \$36,600.00

Premium Reduction Percentages - The following percentages are applicable by deductible amount and hazard group for total losses on a per claim basis:

Deductible Amount	Total Losses						
	HAZARD GROUP						
	A	B	C	D	E	F	G
\$100	0.5%	0.4%	0.3%	0.3%	0.2%	0.1%	0.1%
\$200	1.0%	0.8%	0.6%	0.5%	0.4%	0.3%	0.2%
\$300	1.5%	1.1%	0.9%	0.7%	0.6%	0.4%	0.3%
\$400	1.9%	1.4%	1.2%	1.0%	0.8%	0.5%	0.4%
\$500	2.3%	1.7%	1.4%	1.1%	0.9%	0.6%	0.5%
\$1,000	3.6%	2.7%	2.3%	1.9%	1.6%	1.1%	0.8%
\$1,500	4.4%	3.4%	2.9%	2.4%	2.0%	1.4%	1.1%
\$2,000	5.1%	4.0%	3.4%	2.8%	2.4%	1.7%	1.3%
\$2,500	5.6%	4.4%	3.8%	3.2%	2.7%	1.9%	1.5%
\$5,000	7.9%	6.3%	5.5%	4.7%	4.0%	2.9%	2.3%

Terrorism (Assigned Risk)..... \$0.02

United States Longshore and Harbor Workers' Compensation Coverage Percentage applicable only in connection with **Basic Manual** Rule 3-A-4..... 95%

(Multiply a Non-F classification rate by a factor of 1.95 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.77) and the adjustment for differences in loss-based expenses (1.103).)

Effective April 1, 2009

APPLICABLE TO ASSIGNED RISK POLICIES ONLY

MISCELLANEOUS VALUES (cont.)

Experience Rating Eligibility

A risk is eligible for intrastate experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$8,000. If more than two years, an average annual premium of at least \$4,000 is required. Page R-4 of the *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state.

Effective April 1, 2009

**TABLE OF WEIGHTING VALUES
APPLICABLE TO ALL POLICIES**

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	1,895	0.04	1,068,706	--	1,127,654	0.44
1,896	--	7,661	0.05	1,127,655	--	1,190,017	0.45
7,662	--	13,550	0.06	1,190,018	--	1,256,098	0.46
13,551	--	19,567	0.07	1,256,099	--	1,326,242	0.47
19,568	--	25,715	0.08	1,326,243	--	1,400,835	0.48
25,716	--	43,011	0.09	1,400,836	--	1,480,316	0.49
43,012	--	64,024	0.10	1,480,317	--	1,565,182	0.50
64,025	--	82,715	0.11	1,565,183	--	1,655,999	0.51
82,716	--	100,914	0.12	1,656,000	--	1,753,418	0.52
100,915	--	119,115	0.13	1,753,419	--	1,858,186	0.53
119,116	--	137,540	0.14	1,858,187	--	1,971,168	0.54
137,541	--	156,315	0.15	1,971,169	--	2,093,369	0.55
156,316	--	175,523	0.16	2,093,370	--	2,225,968	0.56
175,524	--	195,228	0.17	2,225,969	--	2,370,350	0.57
195,229	--	215,484	0.18	2,370,351	--	2,528,159	0.58
215,485	--	236,339	0.19	2,528,160	--	2,701,362	0.59
236,340	--	257,837	0.20	2,701,363	--	2,892,326	0.60
257,838	--	280,023	0.21	2,892,327	--	3,103,931	0.61
280,024	--	302,942	0.22	3,103,932	--	3,339,717	0.62
302,943	--	326,639	0.23	3,339,718	--	3,604,081	0.63
326,640	--	351,161	0.24	3,604,082	--	3,902,552	0.64
351,162	--	376,558	0.25	3,902,553	--	4,242,189	0.65
376,559	--	402,883	0.26	4,242,190	--	4,632,139	0.66
402,884	--	430,193	0.27	4,632,140	--	5,084,477	0.67
430,194	--	458,546	0.28	5,084,478	--	5,615,480	0.68
458,547	--	488,007	0.29	5,615,481	--	6,247,623	0.69
488,008	--	518,645	0.30	6,247,624	--	7,012,845	0.70
518,646	--	550,534	0.31	7,012,846	--	7,958,115	0.71
550,535	--	583,755	0.32	7,958,116	--	9,155,452	0.72
583,756	--	618,395	0.33	9,155,453	--	10,721,196	0.73
618,396	--	654,549	0.34	10,721,197	--	12,856,296	0.74
654,550	--	692,318	0.35	12,856,297	--	15,940,323	0.75
692,319	--	731,817	0.36	15,940,324	--	20,786,644	0.76
731,818	--	773,166	0.37	20,786,645	--	29,510,010	0.77
773,167	--	816,502	0.38	29,510,011	--	49,864,514	0.78
816,503	--	861,971	0.39	49,864,515	--	151,636,986	0.79
861,972	--	909,737	0.40	151,636,987	AND OVER		0.80
909,738	--	959,979	0.41				
959,980	--	1,012,894	0.42				
1,012,895	--	1,068,705	0.43				

(a) G	9.05
(b) State Per Claim Accident Limitation	\$226,500
(c) State Multiple Claim Accident Limitation	\$453,000
(d) USL&HW Per Claim Accident Limitation	\$426,000
(e) USL&HW Multiple Claim Accident Limitation	\$852,000
(f) Employers Liability Accident Limitation	\$55,000
(g) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.78
<i>(Multiply a Non-F classification ELR by the USL&HW Act - Expected Loss Factor of 1.78.)</i>	

Effective April 1, 2009

**TABLE OF BALLAST VALUES
APPLICABLE TO ALL POLICIES**

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 48,678	22,625	1,562,039 -- 1,607,263	181,000	3,145,330 -- 3,190,573	339,375
48,679 -- 83,780	27,150	1,607,264 -- 1,652,489	185,525	3,190,574 -- 3,235,817	343,900
83,781 -- 124,112	31,675	1,652,490 -- 1,697,716	190,050	3,235,818 -- 3,281,060	348,425
124,113 -- 166,660	36,200	1,697,717 -- 1,742,944	194,575	3,281,061 -- 3,326,305	352,950
166,661 -- 210,242	40,725	1,742,945 -- 1,788,173	199,100	3,326,306 -- 3,371,549	357,475
210,243 -- 254,372	45,250	1,788,174 -- 1,833,404	203,625	3,371,550 -- 3,416,793	362,000
254,373 -- 298,821	49,775	1,833,405 -- 1,878,635	208,150	3,416,794 -- 3,462,038	366,525
298,822 -- 343,472	54,300	1,878,636 -- 1,923,867	212,675	3,462,039 -- 3,507,282	371,050
343,473 -- 388,257	58,825	1,923,868 -- 1,969,100	217,200	3,507,283 -- 3,552,527	375,575
388,258 -- 433,136	63,350	1,969,101 -- 2,014,334	221,725	3,552,528 -- 3,597,772	380,100
433,137 -- 478,083	67,875	2,014,335 -- 2,059,568	226,250	3,597,773 -- 3,643,017	384,625
478,084 -- 523,082	72,400	2,059,569 -- 2,104,803	230,775	3,643,018 -- 3,688,262	389,150
523,083 -- 568,120	76,925	2,104,804 -- 2,150,039	235,300	3,688,263 -- 3,733,508	393,675
568,121 -- 613,188	81,450	2,150,040 -- 2,195,276	239,825	3,733,509 -- 3,778,753	398,200
613,189 -- 658,281	85,975	2,195,277 -- 2,240,512	244,350	3,778,754 -- 3,823,999	402,725
658,282 -- 703,394	90,500	2,240,513 -- 2,285,750	248,875	3,824,000 -- 3,869,244	407,250
703,395 -- 748,523	95,025	2,285,751 -- 2,330,988	253,400	3,869,245 -- 3,914,490	411,775
748,524 -- 793,666	99,550	2,330,989 -- 2,376,226	257,925	3,914,491 -- 3,959,736	416,300
793,667 -- 838,820	104,075	2,376,227 -- 2,421,465	262,450	3,959,737 -- 4,004,982	420,825
838,821 -- 883,984	108,600	2,421,466 -- 2,466,704	266,975	4,004,983 -- 4,050,228	425,350
883,985 -- 929,157	113,125	2,466,705 -- 2,511,944	271,500	4,050,229 -- 4,095,474	429,875
929,158 -- 974,336	117,650	2,511,945 -- 2,557,184	276,025	4,095,475 -- 4,140,720	434,400
974,337 -- 1,019,522	122,175	2,557,185 -- 2,602,424	280,550	4,140,721 -- 4,185,966	438,925
1,019,523 -- 1,064,713	126,700	2,602,425 -- 2,647,665	285,075	4,185,967 -- 4,231,213	443,450
1,064,714 -- 1,109,909	131,225	2,647,666 -- 2,692,905	289,600	4,231,214 -- 4,276,459	447,975
1,109,910 -- 1,155,109	135,750	2,692,906 -- 2,738,147	294,125	4,276,460 -- 4,321,705	452,500
1,155,110 -- 1,200,312	140,275	2,738,148 -- 2,783,388	298,650		
1,200,313 -- 1,245,519	144,800	2,783,389 -- 2,828,630	303,175		
1,245,520 -- 1,290,730	149,325	2,828,631 -- 2,873,872	307,700		
1,290,731 -- 1,335,942	153,850	2,873,873 -- 2,919,114	312,225		
1,335,943 -- 1,381,158	158,375	2,919,115 -- 2,964,357	316,750		
1,381,159 -- 1,426,375	162,900	2,964,358 -- 3,009,600	321,275		
1,426,376 -- 1,471,594	167,425	3,009,601 -- 3,054,843	325,800		
1,471,595 -- 1,516,816	171,950	3,054,844 -- 3,100,086	330,325		
1,516,817 -- 1,562,038	176,475	3,100,087 -- 3,145,329	334,850		

For Expected Losses greater than \$4,321,375, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(9.05) / (\text{Expected Losses} + (700)(9.05))$$

G = 9.05

NORTH CAROLINA - ASSIGNED RISK

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NORTH CAROLINA - ASSIGNED RISK

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NORTH CAROLINA

APPENDIX A-I

CALCULATION OF 2006 POLICY YEAR ON-LEVEL FACTORS

SECTION A - Factor Adjusting 2006 Policy Year Assigned Risk Premium to Present Assigned Risk Pure Premium Level

	(1) Standard Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/Sum Col. (4)	(6) Adj. For Expense Constant Removal@	(7) Adj. For Removal of Expenses	(8) Adj. For MPM Removal*	(9) Prem. Adj. Factor (((5)x(6)) x(7))x(8)
NR 04/01/05	Base	1.000	0.330	0.330	1.151	0.984	0.749	0.998	0.847
NR 04/01/06	1.087	1.087	0.670	<u>0.728</u>					
NR 04/01/07	1.076	1.170		1.058					
NR 04/01/08	1.041	1.218							

SECTION B - Factor Adjusting 2006 Policy Year Voluntary Premium to Present Voluntary Pure Premium Level

	(1) Standard Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/Sum Col. (4)	(6) Adj. For Expense Constant Removal@	(7) Adj. For MPM Removal*	(8) Prem. Adj. Factor ((5)x(6)) x(7)
NR 04/01/05	Base	1.000	0.330	0.330	1.122	1.000	0.998	1.120
NR 04/01/06	1.094	1.094	0.670	<u>0.733</u>				
NR 04/01/07	1.073	1.174		1.063				
NR 04/01/08	1.016	1.193						

SECTION C - Factor Adjusting 2006 Policy Year Assigned Risk and Voluntary Premium to Present Pure Premium Level

(1) Assigned Risk Market Share PY 2006	0.115
(2) Voluntary Market Share PY 2006	0.885
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. A)	0.847
(4) Voluntary Standard Premium Adjustment Factor (See Sec. B)	1.120
(5) Premium Adjustment Factor = [(1) x (3)] / 1.405 + (2) x (4) #	1.060

NR New and renewal business.

@ Eliminates premium derived from expense constants.

* Eliminates premium derived from minimum premiums.

Current premium index (assigned risk to voluntary) = 1.405

NORTH CAROLINA

APPENDIX A-I

CALCULATION OF 2006 POLICY YEAR ON-LEVEL FACTORS

SECTION D - Factor Adjusting 2006 Policy Year Indemnity Losses to Present Benefit Level

<u>Date</u>	<u>(1) Benefit Level Change</u>	<u>(2) Cumulative Index</u>	<u>(3) Weight</u>	<u>(4) Product (2) x (3)</u>	<u>(5) Adj. Factor Present Index / Sum Col. (4)</u>
01/01/06	Base	1.000	0.602	0.602	1.009
01/01/07	1.009	1.009	0.398	<u>0.402</u>	
01/01/08	1.004	1.013		1.004	

SECTION E - Factor Adjusting 2006 Policy Year Medical Losses to Present Benefit Level

<u>Date</u>	<u>(1) Benefit Level Change</u>	<u>(2) Cumulative Index</u>	<u>(3) Weight</u>	<u>(4) Product (2) x (3)</u>	<u>(5) Adj. Factor Present Index / Sum Col. (4)</u>
01/01/06	Base	1.000	0.602	0.602	1.000
01/01/07	1.000	1.000	0.398	<u>0.398</u>	
01/01/08	1.000	1.000		1.000	

NORTH CAROLINA

APPENDIX A-I

CALCULATION OF 2005 POLICY YEAR ON-LEVEL FACTORS

SECTION F - Factor Adjusting 2005 Policy Year Assigned Risk Premium to Present Assigned Risk Pure Premium Level

	(1) Standard Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/Sum Col. (4)	(6) Adj. For Expense Constant Removal@	(7) Adj. For Removal of Expenses	(8) Adj. For MPM Removal*	(9) Prem. Adj. Factor (((5)x(6)) x(7))x(8)
NR 04/01/04	Base	1.000	0.330	0.330	1.233	0.984	0.749	0.998	0.907
NR 04/01/05	1.040	1.040	0.670	<u>0.697</u>					
NR 04/01/06	1.087	1.130		1.027					
NR 04/01/07	1.076	1.216							
NR 04/01/08	1.041	1.266							

SECTION G - Factor Adjusting 2005 Policy Year Voluntary Premium to Present Voluntary Pure Premium Level

	(1) Standard Rate Level Change	(2) Cumulative Index	(3) Weight	(4) Product (2)x(3)	(5) Adj. Factor Present Index/Sum Col. (4)	(6) Adj. For Expense Constant Removal@	(7) Adj. For MPM Removal*	(8) Prem. Adj. Factor ((5)x(6)) x(7)
NR 04/01/04	Base	1.000	0.330	0.330	1.200	1.000	0.998	1.198
NR 04/01/05	1.020	1.020	0.670	<u>0.683</u>				
NR 04/01/06	1.094	1.116		1.013				
NR 04/01/07	1.073	1.197						
NR 04/01/08	1.016	1.216						

SECTION H - Factor Adjusting 2005 Policy Year Assigned Risk and Voluntary Premium to Present Pure Premium Level

(1) Assigned Risk Market Share PY 2005	0.140
(2) Voluntary Market Share PY 2005	0.860
(3) Assigned Risk Standard Premium Adjustment Factor (See Sec. F)	0.907
(4) Voluntary Standard Premium Adjustment Factor (See Sec. G)	1.198
(5) Premium Adjustment Factor = [(1) x (3)] / 1.405 + (2) x (4) #	1.120

NR New and renewal business.

@ Eliminates premium derived from expense constants.

* Eliminates premium derived from minimum premiums.

Current Premium Index (assigned risk to voluntary) = 1.405

NORTH CAROLINA

APPENDIX A-I

CALCULATION OF 2005 POLICY YEAR ON-LEVEL FACTORS

SECTION I - Factor Adjusting 2005 Policy Year Indemnity Losses to Present Benefit Level

<u>Date</u>	<u>(1) Benefit Level Change</u>	<u>(2) Cumulative Index</u>	<u>(3) Weight</u>	<u>(4) Product (2) x (3)</u>	<u>(5) Adj. Factor Present Index / Sum Col. (4)</u>
01/01/05	Base	1.000	0.602	0.602	1.014
01/01/06	1.001	1.001	0.398	<u>0.398</u>	
01/01/07	1.009	1.010		1.000	
01/01/08	1.004	1.014			

SECTION J - Factor Adjusting 2005 Policy Year Medical Losses to Present Benefit Level

<u>Date</u>	<u>(1) Benefit Level Change</u>	<u>(2) Cumulative Index</u>	<u>(3) Weight</u>	<u>(4) Product (2) x (3)</u>	<u>(5) Adj. Factor Present Index / Sum Col. (4)</u>
01/01/05	Base	1.000	0.602	0.602	1.000
01/01/06	1.000	1.000	0.398	<u>0.398</u>	
01/01/07	1.000	1.000		1.000	
01/01/08	1.000	1.000			

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section A - Premium Development Factors

<u>Policy Year</u>	<u>Standard Premium for Matching Companies</u>		<u>Development Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>	
2003	741,238,193	744,182,718	1.004
2004	847,817,241	855,530,398	1.009
2005	916,300,397	930,439,012	1.015
Average			1.009
	<u>2nd Report</u>	<u>3rd Report</u>	
2002	673,007,251	672,595,888	0.999
2003	795,357,910	794,586,544	0.999
2004	855,530,398	854,035,083	0.998
Average			0.999
	<u>3rd Report</u>	<u>4th Report</u>	
2001	625,271,025	624,909,249	0.999
2002	710,602,825	709,774,975	0.999
2003	794,586,544	794,322,352	1.000
Average			0.999
	<u>4th Report</u>	<u>5th Report</u>	
2000	624,945,109	624,501,313	0.999
2001	649,978,710	650,742,671	1.001
2002	712,538,358	712,604,689	1.000
Average			1.000

Three-year average premium development factors

<u>1st/5th</u>	<u>2nd/5th</u>	<u>3rd/5th</u>	<u>4th/5th</u>
1.007	0.998	0.999	1.000

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section B1 - Limited Loss Development Factors - Paid

<u>Policy Year</u>	<u>Limited Paid Indemnity Losses for Matching Companies</u>		<u>Dev't Factor</u>	<u>Limited Paid Medical Losses for Matching Companies</u>		<u>Dev't Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>		<u>1st Report</u>	<u>2nd Report</u>	
2004	88,500,619	184,171,242	2.081	166,341,520	221,108,007	1.329
2005	94,200,310	187,778,208	1.993	177,560,896	235,208,211	1.325
Average			2.037			1.327
	<u>2nd Report</u>	<u>3rd Report</u>		<u>2nd Report</u>	<u>3rd Report</u>	
2003	169,128,573	235,119,866	1.390	191,260,199	214,836,092	1.123
2004	185,640,678	259,263,912	1.397	222,913,529	250,451,436	1.124
Average			1.394			1.124
	<u>3rd Report</u>	<u>4th Report</u>		<u>3rd Report</u>	<u>4th Report</u>	
2002	207,378,490	247,176,090	1.192	193,478,516	205,675,247	1.063
2003	235,929,393	277,372,351	1.176	215,361,075	228,018,250	1.059
Average			1.184			1.061
	<u>4th Report</u>	<u>5th Report</u>		<u>4th Report</u>	<u>5th Report</u>	
2001	238,802,246	262,982,440	1.101	188,943,497	196,440,028	1.040
2002	248,642,253	274,523,928	1.104	207,012,491	215,627,988	1.042
Average			1.103			1.041
	<u>5th Report</u>	<u>6th Report</u>		<u>5th Report</u>	<u>6th Report</u>	
2000	249,535,257	268,545,027	1.076	186,727,679	193,704,612	1.037
2001	265,869,414	285,880,048	1.075	198,426,974	206,609,074	1.041
Average			1.076			1.039
	<u>6th Report</u>	<u>7th Report</u>		<u>6th Report</u>	<u>7th Report</u>	
1999	263,644,813	274,494,213	1.041	192,358,245	196,966,382	1.024
2000	272,908,746	282,306,313	1.034	204,894,975	209,703,744	1.023
Average			1.038			1.024
	<u>7th Report</u>	<u>8th Report</u>		<u>7th Report</u>	<u>8th Report</u>	
1998	250,409,882	259,727,147	1.037	188,084,186	191,713,913	1.019
1999	277,528,428	284,863,772	1.026	198,990,004	202,336,224	1.017
Average			1.032			1.018
	<u>8th Report</u>	<u>9th Report</u>		<u>8th Report</u>	<u>9th Report</u>	
1997	169,345,600	170,867,075	1.009	125,108,414	126,999,315	1.015
1998	263,117,583	267,125,133	1.015	195,356,127	198,376,366	1.015
Average			1.012			1.015
	<u>9th Report</u>	<u>10th Report</u>		<u>9th Report</u>	<u>10th Report</u>	
1996	138,023,838	139,371,012	1.010	107,168,632	108,636,350	1.014
1997	175,063,991	176,384,210	1.008	129,964,612	131,347,525	1.011
Average			1.009			1.013
	<u>10th Report</u>	<u>11th Report</u>		<u>10th Report</u>	<u>11th Report</u>	
1995	118,653,376	120,577,696	1.016	98,977,563	101,619,671	1.027
1996	140,326,496	141,729,996	1.010	109,345,254	109,989,759	1.006
Average			1.013			1.017

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section B1 - Limited Loss Development Factors - Paid (Cont.)

<u>Policy Year</u>	<u>Limited Paid Indemnity Losses for Matching Companies</u>		<u>Dev't Factor</u>	<u>Limited Paid Medical Losses for Matching Companies</u>		<u>Dev't Factor</u>
	<u>11th Report</u>	<u>12th Report</u>		<u>11th Report</u>	<u>12th Report</u>	
1994	120,158,698	120,645,208	1.004	96,136,352	96,339,186	1.002
1995	120,577,696	121,125,100	1.005	101,619,671	102,069,461	1.004
Average			1.005			1.003
	<u>12th Report</u>	<u>13th Report</u>		<u>12th Report</u>	<u>13th Report</u>	
1993	147,631,112	149,721,154	1.014	129,923,139	132,195,680	1.017
1994	120,645,208	121,138,179	1.004	96,339,186	96,784,260	1.005
Average			1.009			1.011
	<u>13th Report</u>	<u>14th Report</u>		<u>13th Report</u>	<u>14th Report</u>	
1992	184,994,633	185,989,955	1.005	160,498,184	161,497,527	1.006
1993	149,721,154	150,485,070	1.005	132,195,680	132,905,788	1.005
Average			1.005			1.006
	<u>14th Report</u>	<u>15th Report</u>		<u>14th Report</u>	<u>15th Report</u>	
1991	238,649,633	239,478,526	1.003	198,037,675	199,361,126	1.007
1992	185,989,955	186,501,446	1.003	161,497,527	162,781,588	1.008
Average			1.003			1.008
	<u>15th Report</u>	<u>16th Report</u>		<u>15th Report</u>	<u>16th Report</u>	
1990	253,994,277	255,280,595	1.005	198,575,897	199,445,295	1.004
1991	239,478,526	241,122,803	1.007	199,361,126	200,898,679	1.008
Average			1.006			1.006
	<u>16th Report</u>	<u>17th Report</u>		<u>16th Report</u>	<u>17th Report</u>	
1989	246,728,295	247,358,433	1.003	189,818,340	190,446,677	1.003
1990	255,280,595	256,653,010	1.005	199,445,295	200,322,880	1.004
Average			1.004			1.004
	<u>17th Report</u>	<u>18th Report</u>		<u>17th Report</u>	<u>18th Report</u>	
1988	200,822,184	201,703,092	1.004	159,755,313	160,403,729	1.004
1989	247,358,433	248,155,905	1.003	190,446,677	191,320,276	1.005
Average			1.004			1.005
	<u>18th Report</u>	<u>19th Report</u>		<u>18th Report</u>	<u>19th Report</u>	
1987	166,616,825	167,173,548	1.003	129,926,629	130,504,735	1.004
1988	201,703,092	202,627,365	1.005	160,403,729	161,373,651	1.006
Average			1.004			1.005

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section B2 - Limited Loss Development Factors - Paid+Case

<u>Policy Year</u>	<u>Limited Pd+Cs Indemnity Losses for Matching Companies</u>		<u>Dev't Factor</u>	<u>Limited Pd+Cs Medical Losses for Matching Companies</u>		<u>Dev't Factor</u>
	<u>1st Report</u>	<u>2nd Report</u>		<u>1st Report</u>	<u>2nd Report</u>	
2001	150,497,379	204,185,883	1.357	196,741,850	208,489,799	1.060
2002	167,330,819	234,569,330	1.402	198,074,875	232,797,273	1.175
2003	200,993,288	269,202,041	1.339	237,783,508	251,142,740	1.056
2004	209,207,067	286,928,531	1.372	272,830,216	297,128,863	1.089
2005	216,157,678	298,337,571	1.380	285,047,968	315,098,995	1.105
Average			1.370			1.097
	<u>2nd Report</u>	<u>3rd Report</u>		<u>2nd Report</u>	<u>3rd Report</u>	
2000	211,798,700	248,983,312	1.176	189,293,684	202,121,056	1.068
2001	212,000,644	254,571,032	1.201	213,822,083	222,844,696	1.042
2002	239,350,921	277,241,390	1.158	237,591,294	243,228,560	1.024
2003	268,029,843	305,066,105	1.138	250,628,185	263,135,288	1.050
2004	289,282,097	329,237,480	1.138	299,135,021	308,063,642	1.030
Average			1.162			1.043
	<u>3rd Report</u>	<u>4th Report</u>		<u>3rd Report</u>	<u>4th Report</u>	
1999	234,163,889	256,393,907	1.095	191,144,480	196,493,372	1.028
2000	246,229,573	271,351,340	1.102	200,146,317	213,921,643	1.069
2001	258,909,420	281,876,906	1.089	227,766,959	228,254,377	1.002
2002	277,349,430	298,406,915	1.076	243,200,983	239,576,466	0.985
2003	306,126,638	326,849,881	1.068	263,715,254	268,369,744	1.018
Average			1.086			1.020
	<u>4th Report</u>	<u>5th Report</u>		<u>4th Report</u>	<u>5th Report</u>	
1998	243,103,445	251,543,365	1.035	212,260,298	214,479,969	1.010
1999	259,346,237	273,181,517	1.053	196,739,447	203,209,350	1.033
2000	280,890,837	291,672,265	1.038	222,282,863	226,582,806	1.019
2001	286,593,159	300,744,419	1.049	229,605,072	228,718,107	0.996
2002	300,156,174	311,532,346	1.038	241,014,473	246,207,045	1.022
Average			1.043			1.016
	<u>5th Report</u>	<u>6th Report</u>		<u>5th Report</u>	<u>6th Report</u>	
1997	163,533,969	166,820,206	1.020	122,553,313	126,526,826	1.032
1998	252,876,775	259,886,804	1.028	206,475,515	209,295,682	1.014
1999	282,036,527	291,072,076	1.032	212,415,185	213,380,984	1.005
2000	288,884,135	294,242,539	1.019	217,507,008	218,443,478	1.004
2001	303,948,193	312,924,807	1.030	230,942,263	227,497,645	0.985
Average			1.026			1.008
	<u>6th Report</u>	<u>7th Report</u>		<u>6th Report</u>	<u>7th Report</u>	
1996	134,474,807	135,083,798	1.005	103,603,652	106,782,130	1.031
1997	168,415,956	171,539,191	1.019	128,006,738	130,210,067	1.017
1998	268,965,636	273,017,838	1.015	217,682,672	222,799,382	1.024
1999	292,865,268	297,231,717	1.015	214,216,878	218,371,692	1.019
2000	299,950,465	304,915,060	1.017	236,305,847	240,921,554	1.020
Average			1.014			1.022

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section B2 - Limited Loss Development Factors - Paid+Case (Cont.)

<u>Policy Year</u>	<u>Limited Pd+Cs Indemnity Losses for Matching Companies</u>		<u>Dev't Factor</u>	<u>Limited Pd+Cs Medical Losses for Matching Companies</u>		<u>Dev't Factor</u>
	<u>7th Report</u>	<u>8th Report</u>		<u>7th Report</u>	<u>8th Report</u>	
1995	125,540,816	126,424,335	1.007	106,869,832	107,523,372	1.006
1996	141,639,570	143,434,776	1.013	111,941,022	112,490,451	1.005
1997	177,233,470	179,678,743	1.014	134,339,169	135,420,913	1.008
1998	272,828,180	273,874,486	1.004	219,817,715	213,991,670	0.973
1999	300,330,450	302,394,351	1.007	220,457,794	222,674,457	1.010
Average			1.009			1.000
	<u>8th Report</u>	<u>9th Report</u>		<u>8th Report</u>	<u>9th Report</u>	
1994	128,040,022	128,166,234	1.001	103,754,155	104,993,302	1.012
1995	120,670,969	120,598,925	0.999	102,623,764	107,091,123	1.044
1996	142,432,696	143,209,226	1.005	112,077,829	112,641,629	1.005
1997	177,502,881	177,284,015	0.999	133,681,479	135,814,018	1.016
1998	277,789,911	279,027,770	1.004	218,685,322	219,555,033	1.004
Average			1.002			1.016
	<u>9th Report</u>	<u>10th Report</u>		<u>9th Report</u>	<u>10th Report</u>	
1993	159,098,839	158,978,099	0.999	141,971,111	141,911,609	1.000
1994	121,680,806	121,773,786	1.001	99,039,815	99,382,447	1.003
1995	119,843,754	120,364,575	1.004	106,380,193	107,409,055	1.010
1996	144,237,553	145,060,310	1.006	113,303,239	118,413,711	1.045
1997	181,480,931	181,903,799	1.002	138,779,315	139,280,986	1.004
Average			1.002			1.012
	<u>10th Report</u>	<u>11th Report</u>		<u>10th Report</u>	<u>11th Report</u>	
1992	195,838,571	196,191,881	1.002	171,476,515	172,665,578	1.007
1993	152,695,520	153,091,182	1.003	136,408,501	137,551,624	1.008
1994	120,546,676	120,810,351	1.002	98,252,521	97,443,517	0.992
1995	121,508,010	122,397,689	1.007	108,408,877	104,585,819	0.965
1996	146,015,794	146,291,898	1.002	119,122,615	118,970,339	0.999
Average			1.003			0.994
	<u>11th Report</u>	<u>12th Report</u>		<u>11th Report</u>	<u>12th Report</u>	
1991	256,608,514	257,372,731	1.003	215,103,781	217,082,417	1.009
1992	189,537,662	191,244,518	1.009	167,571,299	168,322,447	1.004
1993	151,216,551	152,197,475	1.006	136,118,393	137,260,573	1.008
1994	122,424,724	123,011,323	1.005	98,554,454	99,244,141	1.007
1995	122,397,689	122,499,663	1.001	104,585,819	104,800,802	1.002
Average			1.005			1.006
	<u>12th Report</u>	<u>13th Report</u>		<u>12th Report</u>	<u>13th Report</u>	
1990	273,812,316	274,367,492	1.002	223,189,187	221,916,099	0.994
1991	247,320,249	247,844,960	1.002	209,673,906	209,093,746	0.997
1992	188,277,502	188,529,757	1.001	165,612,831	167,497,857	1.011
1993	153,422,747	154,302,053	1.006	138,152,346	139,220,921	1.008
1994	123,011,323	123,425,687	1.003	99,244,141	99,097,395	0.999
Average			1.003			1.002

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section B2 - Limited Loss Development Factors - Paid+Case (Cont.)

<u>Policy Year</u>	<u>Limited Pd+Cs Indemnity Losses for Matching Companies</u>		<u>Dev't Factor</u>	<u>Limited Pd+Cs Medical Losses for Matching Companies</u>		<u>Dev't Factor</u>
	<u>13th Report</u>	<u>14th Report</u>		<u>13th Report</u>	<u>14th Report</u>	
1989	265,136,404	265,639,795	1.002	213,001,342	212,406,776	0.997
1990	262,596,066	263,533,453	1.004	212,237,843	213,373,805	1.005
1991	243,509,232	245,509,017	1.008	205,716,501	208,119,420	1.012
1992	190,393,280	190,742,267	1.002	169,163,007	169,411,494	1.001
1993	154,302,053	154,602,207	1.002	139,220,921	141,095,057	1.013
Average			1.004			1.006
	<u>14th Report</u>	<u>15th Report</u>		<u>14th Report</u>	<u>15th Report</u>	
1988	214,761,380	214,898,142	1.001	174,226,443	174,816,109	1.003
1989	252,160,978	252,947,933	1.003	196,731,705	198,289,268	1.008
1990	259,193,006	259,754,882	1.002	210,096,753	210,789,714	1.003
1991	247,632,774	247,524,105	1.000	210,228,508	210,782,337	1.003
1992	190,742,267	190,067,984	0.996	169,411,494	171,565,731	1.013
Average			1.000			1.006
	<u>15th Report</u>	<u>16th Report</u>		<u>15th Report</u>	<u>16th Report</u>	
1987	176,583,766	176,838,269	1.001	137,471,181	138,464,412	1.007
1988	208,803,672	209,635,602	1.004	169,498,690	170,049,633	1.003
1989	249,356,604	249,715,549	1.001	196,068,352	196,013,387	1.000
1990	262,003,580	262,562,747	1.002	212,335,549	211,349,584	0.995
1991	247,524,105	247,534,974	1.000	210,782,337	213,169,866	1.011
Average			1.002			1.003
	<u>16th Report</u>	<u>17th Report</u>		<u>16th Report</u>	<u>17th Report</u>	
1986	134,889,488	134,871,367	1.000	114,286,526	114,275,262	1.000
1987	173,035,575	172,986,340	1.000	135,983,093	136,755,161	1.006
1988	205,387,563	205,360,945	1.000	166,768,829	166,409,949	0.998
1989	251,236,628	251,247,247	1.000	196,810,059	198,524,219	1.009
1990	262,562,747	262,641,137	1.000	211,349,584	212,530,440	1.006
Average			1.000			1.004
	<u>17th Report</u>	<u>18th Report</u>		<u>17th Report</u>	<u>18th Report</u>	
1985	118,975,127	119,095,952	1.001	90,879,036	91,044,239	1.002
1986	127,218,826	127,864,968	1.005	109,241,975	109,717,631	1.004
1987	169,733,569	170,064,764	1.002	134,332,293	135,202,001	1.006
1988	205,801,009	206,030,764	1.001	166,719,578	166,973,432	1.002
1989	251,247,247	251,364,784	1.000	198,524,219	198,929,823	1.002
Average			1.002			1.003
	<u>18th Report</u>	<u>19th Report</u>		<u>18th Report</u>	<u>19th Report</u>	
1984	100,151,029	100,471,826	1.003	76,492,862	76,255,533	0.997
1985	114,377,004	114,923,855	1.005	87,807,913	88,103,730	1.003
1986	87,251,972	87,365,952	1.001	72,486,993	72,426,062	0.999
1987	170,787,442	170,903,863	1.001	135,547,920	137,204,042	1.012
1988	206,030,764	206,270,235	1.001	166,973,432	171,102,893	1.025
Average			1.002			1.007

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section C - Accident Year Unlimited Loss Development Factors (19th-to-Ultimate Report)

	<u>Indemnity</u>	<u>Medical</u>
(1) Losses for accident year 1979 valued as of 12-31-1986	48,024,103	29,012,315
(2) Losses for accident year 1980 valued as of 12-31-1987	53,122,849	35,279,550
(3) Losses for accident year 1981 valued as of 12-31-1988	55,519,357	38,963,526
(4) Losses for accident year 1982 valued as of 12-31-1989	53,049,002	38,396,674
(5) Losses for accident year 1983 valued as of 12-31-1990	61,281,411	48,863,067
(6) Average = ((1)+(2)+(3)+(4)+(5))/5	54,199,344	38,103,026
(7) Losses for accident year 1984 valued as of 12-31-1991	69,028,318	57,387,303
(8) Ratio = (6)/(7)	0.785	0.664
(9) Losses for accident year 1984 valued as of 12-31-2002	94,239,155	74,679,189
(10) Losses for accident year 1984 valued as of 12-31-2003	94,360,615	74,862,144
(11) Losses for accident years prior to 1984 valued as of 12-31-2002	692,090,721	488,827,190
(12) Losses for accident years prior to 1984 valued as of 12-31-2003	693,979,202	490,925,037
(13) 19th-to-ultimate development factor = 1+[(10)-(9)+((12)-(11))/(8)]/(9)	1.027	1.045
(14) Losses for accident year 1980 valued as of 12-31-1987	51,692,236	34,295,486
(15) Losses for accident year 1981 valued as of 12-31-1988	54,268,363	38,117,338
(16) Losses for accident year 1982 valued as of 12-31-1989	50,999,595	36,719,295
(17) Losses for accident year 1983 valued as of 12-31-1990	59,724,365	47,632,558
(18) Losses for accident year 1984 valued as of 12-31-1991	67,150,896	55,789,947
(19) Average = ((14)+(15)+(16)+(17)+(18))/5	56,767,091	42,510,925
(20) Losses for accident year 1985 valued as of 12-31-1992	77,383,880	60,565,616
(21) Ratio = (19)/(20)	0.734	0.702
(22) Losses for accident year 1985 valued as of 12-31-2003	106,738,505	83,034,289
(23) Losses for accident year 1985 valued as of 12-31-2004	107,277,448	83,438,919
(24) Losses for accident years prior to 1985 valued as of 12-31-2003	747,934,970	539,999,499
(25) Losses for accident years prior to 1985 valued as of 12-31-2004	748,841,712	539,418,088
(26) 19th-to-ultimate development factor = 1+[(23)-(22)+((25)-(24))/(21)]/(22)	1.017	0.995
(27) Losses for accident year 1981 valued as of 12-31-1988	53,875,360	37,919,991
(28) Losses for accident year 1982 valued as of 12-31-1989	51,186,562	37,034,596
(29) Losses for accident year 1983 valued as of 12-31-1990	59,598,750	47,746,269
(30) Losses for accident year 1984 valued as of 12-31-1991	67,227,944	56,190,374
(31) Losses for accident year 1985 valued as of 12-31-1992	77,174,442	60,856,798
(32) Average = ((27)+(28)+(29)+(30)+(31))/5	61,812,612	47,949,606
(33) Losses for accident year 1986 valued as of 12-31-1993	93,162,040	71,050,968
(34) Ratio = (32)/(33)	0.663	0.675
(35) Losses for accident year 1986 valued as of 12-31-2004	117,919,363	94,622,274
(36) Losses for accident year 1986 valued as of 12-31-2005	118,125,528	94,987,076
(37) Losses for accident years prior to 1986 valued as of 12-31-2004	851,292,059	618,744,262
(38) Losses for accident years prior to 1986 valued as of 12-31-2005	854,451,980	623,809,153
(39) 19th-to-ultimate development factor = 1+[(36)-(35)+((38)-(37))/(34)]/(35)	1.042	1.083

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section C - Accident Year Unlimited Loss Development Factors (19th-to-Ultimate Report) (Cont.)

	<u>Indemnity</u>	<u>Medical</u>
(40) Losses for accident year 1982 valued as of 12-31-1989	47,663,737	34,598,009
(41) Losses for accident year 1983 valued as of 12-31-1990	55,532,749	42,881,830
(42) Losses for accident year 1984 valued as of 12-31-1991	62,397,553	52,330,852
(43) Losses for accident year 1985 valued as of 12-31-1992	72,725,374	57,812,133
(44) Losses for accident year 1986 valued as of 12-31-1993	88,442,418	67,387,275
(45) Average = ((40)+(41)+(42)+(43)+(44))/5	65,352,366	51,002,020
(46) Losses for accident year 1987 valued as of 12-31-1994	117,635,669	92,198,588
(47) Ratio = (45)/(46)	0.556	0.553
(48) Losses for accident year 1987 valued as of 12-31-2005	139,723,534	111,975,423
(49) Losses for accident year 1987 valued as of 12-31-2006	139,933,643	112,444,934
(50) Losses for accident years prior to 1987 valued as of 12-31-2005	919,195,427	674,438,575
(51) Losses for accident years prior to 1987 valued as of 12-31-2006	920,215,913	679,186,186
(52) 19th-to-ultimate development factor = 1+[(49)-(48)+((51)-(50))/(47)]/(48)	1.015	1.081
(53) Losses for accident year 1983 valued as of 12-31-1990	80,335,646	63,328,381
(54) Losses for accident year 1984 valued as of 12-31-1991	98,546,007	78,564,723
(55) Losses for accident year 1985 valued as of 12-31-1992	117,059,567	90,066,448
(56) Losses for accident year 1986 valued as of 12-31-1993	135,960,969	103,433,064
(57) Losses for accident year 1987 valued as of 12-31-1994	167,762,527	135,134,393
(58) Average = ((53)+(54)+(55)+(56)+(57))/5	119,932,943	94,105,402
(59) Losses for accident year 1988 valued as of 12-31-1995	214,777,459	166,127,292
(60) Ratio = (58)/(59)	0.558	0.566
(61) Losses for accident year 1988 valued as of 12-31-2006	175,429,517	142,871,672
(62) Losses for accident year 1988 valued as of 12-31-2007	175,782,958	144,668,794
(63) Losses for accident years prior to 1988 valued as of 12-31-2006	1,060,140,226	791,631,120
(64) Losses for accident years prior to 1988 valued as of 12-31-2007	1,061,898,284	797,540,155
(65) 19th-to-ultimate development factor = 1+[(62)-(61)+((64)-(63))/(60)]/(61)	1.020	1.086
(66) 5-year average 19th-to-ultimate development factor ((13)+(26)+(39)+(52)+(65))/5	1.024	1.058

(1) through (5) and (7) include only information for matching companies for the 1986 through 1991 valuations.

(9) through (12) include only information for matching companies for the 2002 and 2003 valuations.

(14) through (18) and (20) include only information for matching companies for the 1987 through 1992 valuations.

(22) through (25) include only information for matching companies for the 2003 and 2004 valuations.

(27) through (31) and (33) include only information for matching companies for the 1988 through 1993 valuations.

(35) through (38) include only information for matching companies for the 2004 and 2005 valuations.

(40) through (44) and (46) include only information for matching companies for the 1989 through 1994 valuations.

(48) through (51) include only information for matching companies for the 2005 and 2006 valuations.

(53) through (57) and (59) include only information for matching companies for the 1990 through 1995 valuations.

(61) through (64) include only information for matching companies for the 2006 and 2007 valuations.

Accident year incurred including IBNR losses are used in the derivation of the 19th-to-ultimate factors shown above.

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section D - Accident Year Ratios

Accident Year Unlimited Paid+Case-to-Incurred Including IBNR Ratios at a 19th Report

Accident Year	Indemnity Losses			Medical Losses		
	Paid+Case	Incl. IBNR	Ratio	Paid+Case	Incl. IBNR	Ratio
1985	110,443,250	111,008,225	0.995	85,656,801	86,065,509	0.995
1986	117,761,988	119,221,605	0.988	94,626,121	95,644,792	0.989
1987	148,593,665	150,162,904	0.990	118,319,824	119,860,303	0.987
1988	188,995,595	190,502,671	0.992	151,978,770	153,523,675	0.990
1989	235,159,213	237,062,917	0.992	196,554,887	197,955,079	0.993
Average			0.991			0.991

Accident Year Limited Paid-to-Paid+Case Ratios at a 19th Report

Accident Year	Indemnity Losses			Medical Losses		
	Paid	Paid+Case	Ratio	Paid	Paid+Case	Ratio
1985	107,113,457	110,443,250	0.970	82,732,316	85,656,801	0.966
1986	115,211,429	117,761,988	0.978	92,583,131	94,626,121	0.978
1987	144,813,198	148,593,665	0.975	113,701,152	118,319,824	0.961
1988	185,103,952	188,995,595	0.979	146,177,333	151,978,770	0.962
1989	232,251,248	235,159,213	0.988	184,592,778	196,554,887	0.939
Average			0.978			0.961

Section E - Derivation of Limited Paid+Case 19th-to-Ultimate Loss Development Factor

	<u>Indemnity</u>	<u>Medical</u>
(1) Unlimited Incurred 19th-to-Ultimate Loss Development Factor (Section C)	1.024	1.058
(2) Unlimited Paid+Case-to-Incurred Including IBNR Ratio (Section D)	0.991	0.991
(3) Unlimited Paid+Case 19th-to-Ultimate Loss Development Factor = (1)/(2)	1.033	1.068
(4) Factor to Adjust 19th-to-Ultimate Development Factor to a Limited Basis	0.791	0.791
(5) Limited Paid+Case 19th-to-Ultimate Loss Development Factor = ((3)-1)x(4)+1	1.026	1.054

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section F1 - Summary of Loss Development Factors - Paid

	(1) 1st/2nd	(2) 2nd/3rd	(3) 3rd/4th	(4) 4th/5th	(5) 5th/6th	(6) 6th/7th	(7) 7th/8th	(8) 8th/9th
Indemnity	2.037	1.394	1.184	1.103	1.076	1.038	1.032	1.012
Medical	1.327	1.124	1.061	1.041	1.039	1.024	1.018	1.015

	(9) 9th/10th	(10) 10th/11th	(11) 11th/12th	(12) 12th/13th	(13) 13th/14th	(14) 14th/15th	(15) 15th/16th	(16) 16th/17th
Indemnity	1.009	1.013	1.005	1.009	1.005	1.003	1.006	1.004
Medical	1.013	1.017	1.003	1.011	1.006	1.008	1.006	1.004

	(17) 17th/18th	(18) 18th/19th	(19) Ltd. P+C 19th/Ult Factor	(20) Ltd. Paid to P+C Factor	(21) 18th/Ult* ((19)/(20)) x((18))	(22) 17th/Ult (21)x(17)	(23) 16th/Ult (22)x(16)	(24) 15th/Ult (23)x(15)
Indemnity	1.004	1.004	1.026	0.978	1.052	1.056	1.060	1.066
Medical	1.005	1.005	1.054	0.961	1.100	1.106	1.110	1.117

	(25) 14th/Ult (24)x(14)	(26) 13th/Ult (25)x(13)	(27) 12th/Ult (26)x(12)	(28) 11th/Ult (27)x(11)	(29) 10th/Ult (28)x(10)	(30) 9th/Ult (29)x(9)	(31) 8th/Ult (30)x(8)	(32) 7th/Ult (31)x(7)
Indemnity	1.069	1.074	1.084	1.089	1.103	1.113	1.126	1.162
Medical	1.126	1.133	1.145	1.148	1.168	1.183	1.201	1.223

	(33) 6th/Ult (32)x(6)	(34) 5th/Ult (33)x(5)	(35) 4th/Ult (34)x(4)	(36) 3rd/Ult (35)x(3)	(37) 2nd/Ult (36)x(2)	(38) 1st/Ult (37)x(1)
Indemnity	1.206	1.298	1.432	1.695	2.363	4.813
Medical	1.252	1.301	1.354	1.437	1.615	2.143

* The 18th/19th link ratio is raised to the two-thirds power to remove the overlap with the AY 19th/Ult development factor.

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section F2 - Summary of Loss Development Factors - Paid+Case

	(1) 1st/2nd	(2) 2nd/3rd	(3) 3rd/4th	(4) 4th/5th	(5) 5th/6th	(6) 6th/7th	(7) 7th/8th	(8) 8th/9th
Indemnity	1.370	1.162	1.086	1.043	1.026	1.014	1.009	1.002
Medical	1.097	1.043	1.020	1.016	1.008	1.022	1.000	1.016

	(9) 9th/10th	(10) 10th/11th	(11) 11th/12th	(12) 12th/13th	(13) 13th/14th	(14) 14th/15th	(15) 15th/16th	(16) 16th/17th
Indemnity	1.002	1.003	1.005	1.003	1.004	1.000	1.002	1.000
Medical	1.012	0.994	1.006	1.002	1.006	1.006	1.003	1.004

	(17) 17th/18th	(18) 18th/19th	(19) 19th/Ult Ltd. P+C Factor	(20) 18th/Ult* (19)x(18)	(21) 17th/Ult (20)x(17)	(22) 16th/Ult (21)x(16)	(23) 15th/Ult (22)x(15)	(24) 14th/Ult (23)x(14)
Indemnity	1.002	1.002	1.026	1.027	1.029	1.029	1.031	1.031
Medical	1.003	1.007	1.054	1.059	1.062	1.066	1.069	1.075

	(25) 13th/Ult (24)x(13)	(26) 12th/Ult (25)x(12)	(27) 11th/Ult (26)x(11)	(28) 10th/Ult (27)x(10)	(29) 9th/Ult (28)x(9)	(30) 8th/Ult (29)x(8)	(31) 7th/Ult (30)x(7)	(32) 6th/Ult (31)x(6)
Indemnity	1.035	1.038	1.043	1.046	1.048	1.050	1.059	1.074
Medical	1.081	1.083	1.089	1.082	1.095	1.113	1.113	1.137

	(33) 5th/Ult (32)x(5)	(34) 4th/Ult (33)x(4)	(35) 3rd/Ult (34)x(3)	(36) 2nd/Ult (35)x(2)	(37) 1st/Ult (36)x(1)
Indemnity	1.102	1.149	1.248	1.450	1.987
Medical	1.146	1.164	1.187	1.238	1.358

* The 18th/19th link ratio is raised to the two-thirds power to remove the overlap with the AY 19th/Ult development factor.

NORTH CAROLINA

APPENDIX A-II

PREMIUM AND LOSS DEVELOPMENT FACTORS

Section G - Factor to Adjust Limited Losses to an Unlimited Basis

(1) Threshold at the Midpoint of the Loss Cost Effective Period*	12,236,711
(2) Statewide Excess Ratio for (1)	0.009
(3) Market Share for Carriers Missing from Large Loss and Catastrophe Call	0.000
(4) Factor to Adjust Limited Losses to an Unlimited Basis = $1/\{1-[(2)\times(1-(3))]\}$	1.009

Section H - Policy Year Thresholds

<u>Experience Year</u>	<u>Policy Year Detrended Threshold</u>
2006	10,825,239
2005	10,509,396
2004	10,375,319
2003	10,173,082
2002	9,742,836
2001	9,406,450
2000	9,220,406
1999	8,891,273
1998	8,505,236
1997	8,084,994
1996	7,598,946
1995	7,399,083
1994	7,264,374
1993	6,924,228
1992	6,568,277
1991	6,301,317
1990	6,077,701
1989	5,806,037
1988	5,559,473

* March 24, 2010 is the midpoint of the effective period for which the revised pure premiums are being proposed.

NORTH CAROLINA

APPENDIX A-III

POLICY YEAR TREND FACTORS

Section A - Summary of Annual Trend Factors

	<u>Indemnity</u>	<u>Medical</u>
Filed trends for North Carolina effective 4/1/2008	1.010	1.030
Indicated countrywide annual trend factor	0.968	1.013
Indicated annual trend factor based on claim frequency*	0.971	0.971
Indicated annual trend factor based on paid claim severity*	1.029	1.056
Indicated annual trend factor based on paid+case claim severity*	1.023	1.053
Indicated annual trend factor based on paid loss ratios*	1.000	1.026
Indicated annual trend factor based on paid+case loss ratios*	0.994	1.023
Indicated annual trend factor based on statistical trend analysis		
Based on paid loss ratios	0.985	1.007
Based on paid+case loss ratios	0.981	1.002
Selected annual trend factor	1.000	1.025
Years from the midpoint of the experience period to the midpoint of the proposed period		
Policy year 2006	3.329	3.329
Policy year 2005	4.329	4.329
Trend impact on		
Policy year 2006	1.000	1.086
Policy year 2005	1.000	1.113

* Based on an eight-point exponential trend model.

NORTH CAROLINA

APPENDIX A-III

POLICY YEAR TREND FACTORS

Section B -Summary of Data Points Underlying Trend Analysis

Policy Year	<u>Paid Indemnity Loss Ratio</u>	<u>Paid Medical Loss Ratio</u>	<u>Paid+Case Indemnity Loss Ratio</u>	<u>Paid+Case Medical Loss Ratio</u>	<u>Claim Frequency</u>	<u>Paid Indemnity Avg. Cost Per Case</u>	<u>Paid Medical Avg. Cost Per Case</u>	<u>Paid+Case Indemnity Avg. Cost Per Case</u>	<u>Paid+Case Medical Avg. Cost Per Case</u>
1992	0.424	0.347	0.418	0.350	21.7	19,607	15,990	19,320	16,138
1993	0.424	0.335	0.421	0.341	22.0	19,334	15,280	19,185	15,544
1994	0.400	0.299	0.394	0.292	20.8	19,207	14,330	18,885	14,020
1995	0.383	0.313	0.371	0.303	18.4	20,861	17,012	20,167	16,461
1996	0.409	0.313	0.404	0.323	17.9	22,795	17,473	22,557	18,031
1997	0.389	0.284	0.381	0.280	16.3	23,908	17,476	23,412	17,216
1998	0.417	0.311	0.411	0.319	14.7	28,316	21,138	27,878	21,695
1999	0.415	0.297	0.411	0.303	14.7	28,222	20,237	27,935	20,640
2000	0.433	0.322	0.426	0.337	14.3	30,363	22,607	29,889	23,636
2001	0.465	0.335	0.454	0.335	13.6	34,277	24,707	33,413	24,706
2002	0.451	0.344	0.435	0.346	13.4	33,774	25,733	32,545	25,886
2003	0.452	0.343	0.427	0.347	13.4	33,772	25,624	31,932	25,927
2004	0.460	0.370	0.430	0.376	12.9	35,536	28,637	33,227	29,096
2005	0.431	0.364	0.420	0.373	12.2	35,193	29,724	34,310	30,524
2006	0.418	0.356	0.396	0.354	11.8	35,393	30,132	33,522	29,925

Section C - Summary of Statistical Trend Analysis Results

Annual Trend Forecasts	<u>Paid</u>	<u>Paid+Case</u>
Claim Frequency	0.961	0.960
Indemnity Severity	1.025	1.022
Medical Severity	1.048	1.044
Indemnity Loss Ratio	0.985	0.981
Medical Loss Ratio	1.007	1.002

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Section D - Premium

Policy Year	(1) Policy Year Premium	(2) Premium Devel Factor	(3) Ultimate Premium (1) x (2)	(4) On-level Factor	(5) On-level Devel Prem (3) x (4)
1992	525,117,611	xxx	525,117,611	0.983	516,715,729
1993	550,756,009	xxx	550,756,009	0.728	400,950,375
1994	486,049,598	xxx	486,049,598	0.674	327,597,429
1995	484,167,380	xxx	484,167,380	0.683	330,686,321
1996	534,192,313	xxx	534,192,313	0.696	371,797,850
1997	457,742,607	xxx	457,742,607	1.122	513,587,205
1998	613,873,764	xxx	613,873,764	1.206	740,331,759
1999	671,277,541	xxx	671,277,541	1.218	816,944,767
2000	654,064,372	xxx	654,064,372	1.216	795,342,276
2001	662,703,173	xxx	662,703,173	1.164	771,386,493
2002	718,008,437	xxx	718,008,437	1.134	814,221,568
2003	799,711,628	1.000	799,711,628	1.125	899,675,582
2004	859,017,869	0.999	858,158,851	1.133	971,435,819
2005	934,565,508	0.998	932,696,377	1.120	1,044,619,942
2006	1,025,051,007	1.007	1,032,226,364	1.060	1,094,159,946

Section E - Paid Loss Ratios

Policy Year	(1) Paid Indemnity Losses	(2) Loss Devel Factor	(3) Ultimate Ind. Loss (1) x (2)	(4) On-level Factor	(5) On-level Devel Ind. Loss (3) x (4)	(6) Paid Ind. Loss Ratio (5)/[Section D (5)]
1992	186,153,009	1.066	198,439,108	1.105	219,275,214	0.424
1993	145,135,227	1.069	155,149,558	1.097	170,199,065	0.424
1994	112,164,752	1.074	120,464,944	1.089	131,186,324	0.400
1995	108,101,447	1.084	117,181,969	1.082	126,790,890	0.383
1996	129,682,587	1.089	141,224,337	1.076	151,957,387	0.409
1997	169,080,297	1.103	186,495,568	1.072	199,923,249	0.389
1998	260,976,052	1.113	290,466,346	1.064	309,056,192	0.417
1999	284,859,620	1.126	320,751,932	1.057	339,034,792	0.415
2000	282,235,815	1.162	327,958,017	1.050	344,355,918	0.433
2001	285,880,048	1.206	344,771,338	1.041	358,906,963	0.465
2002	273,922,587	1.298	355,551,518	1.033	367,284,718	0.451
2003	277,356,715	1.432	397,174,816	1.024	406,707,012	0.452
2004	259,259,559	1.695	439,444,953	1.016	446,476,072	0.460
2005	187,778,208	2.363	443,719,906	1.014	449,931,985	0.431
2006	94,242,164	4.813	453,587,535	1.009	457,669,823	0.418

Policy Year	(7) Paid Medical Losses	(8) Loss Devel Factor	(9) Ultimate Med. Loss (7) x (8)	(10) On-level Factor	(11) On-level Devel Med. Loss (9) x (10)	(12) Paid Med. Loss Ratio (11)/[Section D (5)]
1992	162,634,438	1.117	181,662,667	0.986	179,119,390	0.347
1993	127,210,592	1.126	143,239,127	0.938	134,358,301	0.335
1994	90,674,954	1.133	102,734,723	0.953	97,906,191	0.299
1995	92,323,664	1.145	105,710,595	0.978	103,384,962	0.313
1996	101,473,524	1.148	116,491,606	1.000	116,491,606	0.313
1997	124,939,587	1.168	145,929,438	1.000	145,929,438	0.284
1998	194,660,879	1.183	230,283,820	1.000	230,283,820	0.311
1999	202,329,716	1.201	242,997,989	1.000	242,997,989	0.297
2000	209,700,153	1.223	256,463,287	1.000	256,463,287	0.322
2001	206,609,074	1.252	258,674,561	1.000	258,674,561	0.335
2002	215,170,225	1.301	279,936,463	1.000	279,936,463	0.344
2003	228,003,331	1.354	308,716,510	1.000	308,716,510	0.343
2004	250,451,136	1.437	359,898,282	1.000	359,898,282	0.370
2005	235,204,331	1.615	379,854,995	1.000	379,854,995	0.364
2006	181,817,741	2.143	389,635,419	1.000	389,635,419	0.356

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Section F - Paid+Case Loss Ratios

Policy Year	(1) Paid+Case Indemnity Losses	(2) Loss Devel Factor	(3) Ultimate Ind. Loss (1) x (2)	(4) On-level Factor	(5) On-level Devel Ind. Loss (3) x (4)	(6) Paid+Case Ind. Loss Ratio (5)/(Section D (5))
1992	189,719,547	1.031	195,600,853	1.105	216,138,943	0.418
1993	149,252,364	1.031	153,879,187	1.097	168,805,468	0.421
1994	114,440,733	1.035	118,446,159	1.089	128,987,867	0.394
1995	109,134,838	1.038	113,281,962	1.082	122,571,083	0.371
1996	133,983,803	1.043	139,745,107	1.076	150,365,735	0.404
1997	174,579,886	1.046	182,610,561	1.072	195,758,521	0.381
1998	272,835,189	1.048	285,931,278	1.064	304,230,880	0.411
1999	302,390,199	1.050	317,509,709	1.057	335,607,762	0.411
2000	304,844,562	1.059	322,830,391	1.050	338,971,911	0.426
2001	312,924,807	1.074	336,081,243	1.041	349,860,574	0.454
2002	310,904,064	1.102	342,616,279	1.033	353,922,616	0.435
2003	326,834,245	1.149	375,532,548	1.024	384,545,329	0.427
2004	329,233,127	1.248	410,882,942	1.016	417,457,069	0.430
2005	298,337,571	1.450	432,589,478	1.014	438,645,731	0.420
2006	216,205,530	1.987	429,600,388	1.009	433,466,791	0.396

Policy Year	(7) Paid+Case Medical Losses	(8) Loss Devel Factor	(9) Ultimate Med. Loss (7) x (8)	(10) On-level Factor	(11) On-level Devel Med. Loss (9) x (10)	(12) Paid+Case Med. Loss Ratio (11)/(Section D (5))
1992	171,418,581	1.069	183,246,463	0.986	180,681,013	0.350
1993	135,399,861	1.075	145,554,851	0.938	136,530,450	0.341
1994	92,982,214	1.081	100,513,773	0.953	95,789,626	0.292
1995	94,445,882	1.083	102,284,890	0.978	100,034,622	0.303
1996	110,368,038	1.089	120,190,793	1.000	120,190,793	0.323
1997	132,850,048	1.082	143,743,752	1.000	143,743,752	0.280
1998	215,821,546	1.095	236,324,593	1.000	236,324,593	0.319
1999	222,667,949	1.113	247,829,427	1.000	247,829,427	0.303
2000	240,917,963	1.113	268,141,693	1.000	268,141,693	0.337
2001	227,497,645	1.137	258,664,822	1.000	258,664,822	0.335
2002	245,721,283	1.146	281,596,590	1.000	281,596,590	0.346
2003	268,354,825	1.164	312,365,016	1.000	312,365,016	0.347
2004	308,063,342	1.187	365,671,187	1.000	365,671,187	0.376
2005	315,095,115	1.238	390,087,752	1.000	390,087,752	0.373
2006	284,951,020	1.358	386,963,485	1.000	386,963,485	0.354

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Section G - Claim Frequency

	(1)	(2)	(3) =(1)x(2)	(4)	(5)	(6) =(4)x(5)	(7)	(8)	(9) =(6)x(7)x(8)	(10) =(3)/(9)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Policy Year Premium	Premium Devel Factor	Ultimate Premium	On-level Factor	Factor to Adjust to 2006 Wage Levels	On-level Devel Prem Adj to 2006 Wage Level	Claim Freq Per Million of On-level Premium
1992	18,184	1.000	18,184	517,092,852	1.000	517,092,852	0.983	1.646	836,656,235	21.7
1993	13,484	1.000	13,484	538,991,981	1.000	538,991,981	0.728	1.561	612,294,890	22.0
1994	10,173	1.000	10,173	486,048,965	1.000	486,048,965	0.674	1.489	487,993,161	20.8
1995	8,892	1.000	8,892	484,165,713	1.000	484,165,713	0.683	1.463	483,681,547	18.4
1996	9,465	1.000	9,465	533,688,253	1.000	533,688,253	0.696	1.423	528,351,370	17.9
1997	11,154	1.000	11,154	456,956,560	1.000	456,956,560	1.122	1.338	685,891,797	16.3
1998	13,836	1.000	13,836	612,714,834	1.000	612,714,834	1.206	1.272	939,904,555	14.7
1999	14,605	1.000	14,605	670,949,762	1.000	670,949,762	1.218	1.217	994,347,547	14.7
2000	13,307	1.000	13,307	654,064,372	1.000	654,064,372	1.216	1.173	932,695,794	14.3
2001	12,040	1.000	12,040	662,703,173	1.000	662,703,173	1.164	1.150	887,359,549	13.6
2002	12,075	1.000	12,075	718,008,437	1.000	718,008,437	1.134	1.110	903,972,622	13.4
2003	12,769	1.003	12,807	799,711,628	1.000	799,711,628	1.125	1.063	956,455,107	13.4
2004	13,043	1.005	13,108	859,017,869	0.999	858,158,851	1.133	1.043	1,014,343,762	12.9
2005	13,033	1.010	13,163	934,565,508	0.998	932,696,377	1.120	1.030	1,076,331,619	12.2
2006	12,470	1.037	12,931	1,025,051,007	1.007	1,032,226,364	1.060	1.000	1,094,159,946	11.8

Section H - Paid Severity

	(1)	(2)	(3) =(1)x(2)	(4)	(5)	(6) =(4)x(5)	(7)	(8)	(9) =(6)x(7)x(8)	(10) =(9)/(3)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid Indemnity Losses	Paid Indemnity LDF	Ultimate Indemnity Losses	On-level Factor	Factor to Adjust to 2006 Wage Levels	On-level Devel Indemnity Losses Adj to 2006 Wage Level	Average Claim Severity
1992	18,184	1.000	18,184	183,867,538	1.066	196,002,796	1.105	1.646	356,529,086	19,607
1993	13,484	1.000	13,484	142,446,307	1.069	152,275,102	1.097	1.561	260,694,975	19,334
1994	10,173	1.000	10,173	112,164,752	1.074	120,464,944	1.089	1.489	195,394,139	19,207
1995	8,892	1.000	8,892	108,101,447	1.084	117,181,969	1.082	1.463	185,499,057	20,861
1996	9,465	1.000	9,465	129,404,707	1.089	140,921,726	1.076	1.423	215,751,163	22,795
1997	11,154	1.000	11,154	168,597,025	1.103	185,962,519	1.072	1.338	266,670,252	23,908
1998	13,836	1.000	13,836	260,166,735	1.113	289,565,576	1.064	1.272	391,782,224	28,316
1999	14,605	1.000	14,605	284,651,435	1.126	320,517,516	1.057	1.217	412,185,526	28,222
2000	13,307	1.000	13,307	282,235,815	1.162	327,958,017	1.050	1.173	404,044,277	30,363
2001	12,040	1.000	12,040	285,880,048	1.206	344,771,338	1.041	1.150	412,691,292	34,277
2002	12,075	1.000	12,075	273,922,587	1.298	355,551,518	1.033	1.110	407,817,591	33,774
2003	12,769	1.003	12,807	277,356,715	1.432	397,174,816	1.024	1.063	432,523,375	33,772
2004	13,043	1.005	13,108	259,259,559	1.695	439,444,953	1.016	1.043	465,811,650	35,536
2005	13,033	1.010	13,163	187,778,208	2.363	443,719,906	1.014	1.030	463,243,582	35,193
2006	12,470	1.037	12,931	94,242,164	4.813	453,587,535	1.009	1.000	457,669,823	35,393

	(11)	(12)	(13) =(11)x(12)	(14)	(15)	(16) =(14)x(15)	(17)	(18)	(19) =(16)x(17)x(18)	(20) =(19)/(13)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid Medical Losses	Paid Medical LDF	Ultimate Medical Losses	On-level Factor	Factor to Adjust to 2006 Wage Levels	On-level Devel Medical Losses Adj to 2006 Wage Level	Medical Average Claim Severity
1992	18,184	1.000	18,184	160,386,517	1.117	179,151,739	0.986	1.646	290,763,272	15,990
1993	13,484	1.000	13,484	124,987,334	1.126	140,735,738	0.938	1.561	206,037,120	15,280
1994	10,173	1.000	10,173	90,674,954	1.133	102,734,723	0.953	1.489	145,780,572	14,330
1995	8,892	1.000	8,892	92,323,664	1.145	105,710,595	0.978	1.463	151,271,861	17,012
1996	9,465	1.000	9,465	101,234,721	1.148	116,217,460	1.000	1.423	165,377,446	17,473
1997	11,154	1.000	11,154	124,733,356	1.168	145,688,560	1.000	1.338	194,931,293	17,476
1998	13,836	1.000	13,836	194,354,518	1.183	229,921,395	1.000	1.272	292,460,014	21,138
1999	14,605	1.000	14,605	202,213,033	1.201	242,857,853	1.000	1.217	295,558,007	20,237
2000	13,307	1.000	13,307	209,700,153	1.223	256,463,287	1.000	1.173	300,831,436	22,607
2001	12,040	1.000	12,040	206,609,074	1.252	258,674,561	1.000	1.150	297,475,745	24,707
2002	12,075	1.000	12,075	215,170,225	1.301	279,936,463	1.000	1.110	310,729,474	25,733
2003	12,769	1.003	12,807	228,003,331	1.354	308,716,510	1.000	1.063	328,165,650	25,624
2004	13,043	1.005	13,108	250,451,136	1.437	359,898,282	1.000	1.043	375,373,908	28,637
2005	13,033	1.010	13,163	235,204,331	1.615	379,854,995	1.000	1.030	391,250,645	29,724
2006	12,470	1.037	12,931	181,817,741	2.143	389,635,419	1.000	1.000	389,635,419	30,132

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Section I - Paid+Case Severity

	(1)	(2)	(3) =(1)x(2)	(4)	(5)	(6) =(4)x(5)	(7)	(8)	(9) =(6)x(7)x(8)	(10) =(9)/(3)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid+Case Indemnity Losses	Paid+Case Indemnity LDF	Ultimate Indemnity Losses	On-level Factor	Factor to Adjust to 2006 Wage Levels	On-level Devel Indemnity Losses Adj to 2006 Wage Level	Average Claim Severity
1992	18,184	1.000	18,184	187,327,536	1.031	193,134,690	1.105	1.646	351,312,001	19,320
1993	13,484	1.000	13,484	146,563,444	1.031	151,106,911	1.097	1.561	258,695,032	19,185
1994	10,173	1.000	10,173	114,440,733	1.035	118,446,159	1.089	1.489	192,119,670	18,885
1995	8,892	1.000	8,892	109,134,838	1.038	113,281,962	1.082	1.463	179,325,346	20,167
1996	9,465	1.000	9,465	133,705,923	1.043	139,455,278	1.076	1.423	213,506,031	22,557
1997	11,154	1.000	11,154	174,096,614	1.046	182,105,058	1.072	1.338	261,138,653	23,412
1998	13,836	1.000	13,836	272,025,872	1.048	285,083,114	1.064	1.272	385,717,453	27,878
1999	14,605	1.000	14,605	302,151,273	1.050	317,258,837	1.057	1.217	407,994,864	27,935
2000	13,307	1.000	13,307	304,844,562	1.059	322,830,391	1.050	1.173	397,727,042	29,889
2001	12,040	1.000	12,040	312,924,807	1.074	336,081,243	1.041	1.150	402,289,248	33,413
2002	12,075	1.000	12,075	310,904,064	1.102	342,616,279	1.033	1.110	392,980,872	32,545
2003	12,769	1.003	12,807	326,834,245	1.149	375,532,548	1.024	1.063	408,954,945	31,932
2004	13,043	1.005	13,108	329,233,127	1.248	410,882,942	1.016	1.043	435,535,919	33,227
2005	13,033	1.010	13,163	298,337,571	1.450	432,589,478	1.014	1.030	451,623,415	34,310
2006	12,470	1.037	12,931	216,205,530	1.987	429,600,388	1.009	1.000	433,466,791	33,522

	(11)	(12)	(13) =(11)x(12)	(14)	(15)	(16) =(14)x(15)	(17)	(18)	(19) =(16)x(17)x(18)	(20) =(19)/(13)
Policy Year	Policy Year Claims	Claim Devel Factor	Ultimate Claim Counts	Paid+Case Medical Losses	Paid+Case Medical LDF	Ultimate Medical Losses	On-level Factor	Factor to Adjust to 2006 Wage Levels	On-level Devel Medical Losses Adj to 2006 Wage Level	Average Claim Severity
1992	18,184	1.000	18,184	169,139,416	1.069	180,810,036	0.986	1.646	293,454,688	16,138
1993	13,484	1.000	13,484	133,176,603	1.075	143,164,848	0.938	1.561	209,593,337	15,544
1994	10,173	1.000	10,173	92,982,214	1.081	100,513,773	0.953	1.489	142,629,044	14,020
1995	8,892	1.000	8,892	94,445,882	1.083	102,284,890	0.978	1.463	146,369,678	16,461
1996	9,465	1.000	9,465	110,129,235	1.089	119,930,737	1.000	1.423	170,661,439	18,031
1997	11,154	1.000	11,154	132,643,817	1.082	143,520,610	1.000	1.338	192,030,576	17,216
1998	13,836	1.000	13,836	215,515,185	1.095	235,989,128	1.000	1.272	300,178,171	21,695
1999	14,605	1.000	14,605	222,551,266	1.113	247,699,559	1.000	1.217	301,450,363	20,640
2000	13,307	1.000	13,307	240,917,963	1.113	268,141,693	1.000	1.173	314,530,206	23,636
2001	12,040	1.000	12,040	227,497,645	1.137	258,664,822	1.000	1.150	297,464,545	24,706
2002	12,075	1.000	12,075	245,721,283	1.146	281,596,590	1.000	1.110	312,572,215	25,886
2003	12,769	1.003	12,807	268,354,825	1.164	312,365,016	1.000	1.063	332,044,012	25,927
2004	13,043	1.005	13,108	308,063,342	1.187	365,671,187	1.000	1.043	381,395,048	29,096
2005	13,033	1.010	13,163	315,095,115	1.238	390,087,752	1.000	1.030	401,790,385	30,524
2006	12,470	1.037	12,931	284,951,020	1.358	386,963,485	1.000	1.000	386,963,485	29,925

**NORTH CAROLINA
APPENDIX A-III
Statistical Trend Analysis Supporting Information**

Section J – Statistical Trend Analysis—Paid

Policy Year Paid							
Frequency							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9448	0.9609	0.9770	0.7387	0.8091	0.8833
2005	4.329	0.9432	0.9607	0.9782	0.7763	0.8411	0.9090
2006	3.329	0.9413	0.9607	0.9801	0.8175	0.8754	0.9354
Indemnity Severity							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	1.0070	1.0253	1.0440	1.0370	1.1433	1.2570
2005	4.329	1.0050	1.0251	1.0450	1.0230	1.1142	1.2120
2006	3.329	1.0030	1.0251	1.0480	1.0110	1.0867	1.1680
Medical Severity							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	1.0280	1.0480	1.0680	1.1590	1.2851	1.4220
2005	4.329	1.0260	1.0476	1.0700	1.1180	1.2241	1.3390
2006	3.329	1.0240	1.0476	1.0720	1.0820	1.1682	1.2600
Indemnity Loss Ratio							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9663	0.9851	1.0040	0.8330	0.9244	1.0240
2005	4.329	0.9639	0.9848	1.0060	0.8530	0.9367	1.0260
2006	3.329	0.9616	0.9848	1.0090	0.8777	0.9509	1.0290
Medical Loss Ratio							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9870	1.0070	1.0270	0.9329	1.0391	1.1550
2005	4.329	0.9846	1.0065	1.0290	0.9348	1.0292	1.1300
2006	3.329	0.9820	1.0065	1.0310	0.9414	1.0224	1.1070

Note: The trend period is measured in years. The interval between the upper and lower bounds covers 95 percent of the probability mass of the distribution of the forecast.

**NORTH CAROLINA
APPENDIX A-III
Statistical Trend Analysis Supporting Information**

Section J – Statistical Trend Analysis—Paid+Case

Policy Year Paid+Case							
Frequency							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9443	0.9605	0.9766	0.7370	0.8073	0.8815
2005	4.329	0.9425	0.9601	0.9776	0.7740	0.8389	0.9067
2006	3.329	0.9406	0.9601	0.9795	0.8157	0.8736	0.9335
Indemnity Severity							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	1.0030	1.0219	1.0410	1.0190	1.1236	1.2370
2005	4.329	1.0010	1.0215	1.0420	1.0060	1.0972	1.1940
2006	3.329	0.9994	1.0215	1.0440	0.9981	1.0739	1.1550
Medical Severity							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	1.0230	1.0442	1.0650	1.1310	1.2605	1.4020
2005	4.329	1.0210	1.0437	1.0670	1.0950	1.2043	1.3220
2006	3.329	1.0190	1.0437	1.0690	1.0640	1.1537	1.2490
Indemnity Loss Ratio							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9626	0.9815	1.0010	0.8161	0.9066	1.0050
2005	4.329	0.9597	0.9807	1.0020	0.8369	0.9200	1.0090
2006	3.329	0.9574	0.9807	1.0050	0.8650	0.9378	1.0160
Medical Loss Ratio							
Year	Trend Period	TF Lower Bound	Mean Trend Factor(TF)	TF Upper Bound	AF Lower Bound	Mean Adjustment Factor(AF)	AF Upper Bound
2004	5.329	0.9820	1.0029	1.0240	0.9077	1.0171	1.1370
2005	4.329	0.9791	1.0020	1.0250	0.9125	1.0099	1.1150
2006	3.329	0.9765	1.0021	1.0280	0.9239	1.0076	1.0960

Note: The trend period is measured in years. The interval between the upper and lower bounds covers 95 percent of the probability mass of the distribution of the forecast.

**NORTH CAROLINA
APPENDIX A-III
Statistical Trend Analysis Supporting Information**

Section J – Statistical Trend Analysis (cont.)

Notes Regarding the Table on the Cover Sheet

- [1] The trend period is measured in years.
- [2] The interval between the upper and lower bounds covers 95 percent of the probability mass of the distribution of the forecast.
- [3] The product of the trend factors of frequency and severity is only *approximately* equal to the trend factor of the respective loss ratio. This is because, in general, the sum of the growth rates of two variables is only approximately equal to the growth rate of the product of these two variables.
- [4] Note that the transformation $adjustment\ factor = trend\ factor^{trend\ period}$ (“adjustment factor equals trend factor to the power of the trend period”) on the displayed trend factors (left column) is a nonlinear transformation and, hence, does not preserve the expected value. Thus, when this transformation is applied to the trend factors in the left column, the results only approximately equal the respective adjustment factors in the right column; another possible reason for such a difference is rounding of the displayed numbers.

Key Characteristics of the Statistical Trend Approach

- In the statistical trend model, the rates of growth of all series (frequency, severities, and loss ratios) are allowed to be nonstationary, that is, these series are allowed to have time-varying means. By way of contrast, the exponential trend method assumes time-invariant rates of growth.
- The statistical trend model accounts for the constraint that arises from the loss ratio being the product of frequency and severity. By implication, the logarithmic growth rates of frequency and severity add up (*exactly*) to the logarithmic growth rate of the respective loss ratio. For conventional (that is, not logarithmic) growth rates, this relationship holds only in approximation.
- The statistical trend model is insensitive to extreme values (or “outliers”). Such insensitivity is critical for generating robust forecasts.
- The statistical trend method employs a covariate (explanatory variable) if (and only if) there is a *predictable* upswing in future economic activity, as typically happens in the wake of natural disasters.

**NORTH CAROLINA
APPENDIX A-III
Statistical Trend Analysis Supporting Information**

Section J – Statistical Trend Analysis (cont.)

Statistical Trend Analysis in Detail

Based on the observation period 1988-2006, we forecast for North Carolina trend and adjustment factors for frequency, the indemnity and medical severities, and the indemnity and medical loss ratios. Frequency is defined as the ratio of the developed (to the 5th report) number of claims to the developed (to the 5th report), on-leveled (to the current loss-cost or rate level, depending on the case), and wage-adjusted premium. Severity is defined as the ratio of the developed, on-leveled, and wage-adjusted loss to the developed (to the 5th report) number of claims. The dependent variables in our forecasting models are the (logarithmic) rates of growth of the respective frequency, severity, and loss ratio series. We treat each of the five time series as *nonstationary*, which means that we allow their means to vary over time. Generally, the forecast for a nonstationary rate of growth is the last observed rate of growth, adjusted for measurement noise (and the influence of covariates [explanatory variables], if such covariates are present). We allow for large variances in the measurement error, which makes the estimates robust to extreme values.

If (and only if) there is a predictable upswing in future economic activity, the model employs a covariate (explanatory variable). In this case then, the rate of frequency growth is modeled as the sum of a (smoothed) random walk and a standard regression component; this standard regression component hosts the covariate. The covariate of choice is the change in the rate of unemployment. For instance, in an economic upswing, the growth rate of frequency can be expected to rise as currently employed labor is utilized more intensively and currently unemployed labor is put back to work. Predictable upswings in economic activity typically happen in the wake of natural disasters; an example of such an event is Hurricane Katrina in 2005.

When the change in the rate of unemployment is used as a covariate for frequency growth, then, this variable is measured by the *second* difference of the rate of unemployment for policy years and by the *first* difference of the rate of unemployment for accident years. For instance, for policy year 2005, the pertinent second difference is the change in level between the end-of-calendar-year 2006 and the end-of-calendar-year 2004. For accident year 2005, the first difference is the change in level between the end-of-calendar-year 2005 and the end-of-calendar-year 2004. These end-of-calendar-year numbers of the unemployment rate refer to the final quarter of the year and are averaged over the three months in the quarter. (We average the rate of unemployment because only quarterly forecasts for the rate of unemployment are available.)

The policy year data set runs from 1988 through 2006, thus providing 18 observations for the rate of growth. The five-equation statistical model is specified in a Bayesian *state-space* framework, which is a means of writing down and making accessible to estimation time series that are potentially nonstationary. As a method of estimation, we use the Metropolis-Hastings algorithm.

The table on the cover sheet exhibits for three experience years the estimated adjustment factors for frequency, indemnity and medical severities, and indemnity and medical loss ratios. The confidence bounds for the presented forecast of the trend and adjustment factors cover 95 percent of the probability mass of the underlying distribution. Note that these confidence intervals are not necessarily symmetric.

NORTH CAROLINA

APPENDIX A-IV

NCCI maintains several data reporting initiatives and programs to assist carriers to report data and to ensure that the data that is reported to NCCI is complete, accurate, and reported in a timely fashion. Occasionally, a particular carrier's data submission is not available for use in a filing either because the data was not reported prior to the filing, was not accurate, or NCCI determined that the data that was reported should not be included in the filing based on NCCI's actuarial judgment. All carriers writing more than one-tenth of one percent of the North Carolina workers compensation written premium volume and whose data is not included in this filing are listed below. The listing is separated between policy years 2006 and 2005 aggregate data.

Carriers not included in policy year experience valued as of December 31, 2007

Policy Year 2006

Name of Carrier

Discovery Insurance Company

Percentage of
Premium Volume

0.5%

Policy Year 2005

Name of Carrier

Discovery Insurance Company

Percentage of
Premium Volume

0.5%

Note: Figures are based on 2006 and 2005 data from the NAIC.

NORTH CAROLINA - ASSIGNED RISK

APPENDIX B

Factor to Convert Loss Costs to Assigned Risk Rates

For all classification codes, the proposed loss cost multiplier of 1.8129 is applied to the advisory loss costs (contained in the Rate Bureau's Loss Costs Reference Filing proposed effective April 1, 2009) in order to convert to assigned risk rates. Please refer to Exhibit I-A, Sheet 1 for more information on the development of this factor.

NORTH CAROLINA LAW MEMO

APPENDIX C-I

Increase in the Maximum Weekly Benefit

Effective: 01/01/2009

Change in the maximum weekly benefit for:

Fatal Injury:	From	\$778.00	to	\$810.00
Total Disability:	From	\$778.00	to	\$810.00
Permanent Partial Disability:	From	\$778.00	to	\$810.00

Total Effect: 0.3%

SAWW effective 01/01/2008 = \$707.48 (estimated).

110 % of \$707.48 rounded to the nearest \$2.00 dollars is \$778.00.

SAWW effective 01/01/2009 = \$736.63 (estimated).

110 % of \$736.63 rounded to the nearest \$2.00 dollars is \$810.00.

NORTH CAROLINA LAW MEMO

APPENDIX C-I

Impact By Type of Injury Due to the Increase in the Maximum Weekly Benefit, Effective 01/01/2009

<u>Type of Injury</u>	<u>Percentage of Losses (a)</u>	<u>Effect (%)</u>	
Fatal	1.1%	0.8	
Permanent Total	5.5%	0.8	
Major Permanent Partial	33.4%	0.6	
Serious	40.0%	0.6	(b)
Minor Permanent Partial	7.2%	0.6	
Temporary Total	4.4%	0.8	
Non-Serious	11.6%	0.7	(b)
Total Indemnity	51.6%	0.6	(b)
Medical	48.4%	0.0	
Total Losses	100.0%	0.3	(b)

(a) Proportions within indemnity are based on the 24-month period ending 12/31/2004 on the 01/01/2008 law level and developed to an ultimate basis by type of injury. Incorporates an assumed indemnity/medical split of 0.516 / 0.484.

(b) Weighted-average.

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT LAW MEMO

APPENDIX C-II

Increase in the Minimum and Maximum Weekly Benefit

Effective: 10/01/2008

Change in the Wage for the Minimum Weekly Benefit For:

Fatal Injury	From	\$572.29	to	\$598.15
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Change in the Minimum Weekly Benefit For:

Total Disability	From	\$286.15	to	\$299.08
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Change in the Maximum Weekly Benefit For:

Fatal Injury	From	\$1,144.58	to	\$1,196.30
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Total Disability	From	\$1,144.58	to	\$1,196.30
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Permanent Partial Disability	From	\$1,144.58	to	\$1,196.30
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Total Effect: + 0.1%

LONGSHORE AND HARBOR WORKERS' COMPENSATION ACT LAW MEMO

APPENDIX C-II

Impact By Type of Injury Due to the Increase in the Minimum
and Maximum Weekly Benefit, Effective 10/01/2008

<u>Type of Injury</u>	<u>Percentage of Losses *</u>	<u>Effect (%)</u>	
Fatal	2.8%	+	1.1
Permanent Total	3.5%	+	0.6
Major Permanent Partial	35.0%	+	0.1
Minor Permanent Partial	5.2%	+	0.1
Temporary Total	5.3%	+	0.6
Total Indemnity	51.8%	+	0.2 **
Medical	48.2%		0.0
Total	100.0%	+	0.1 **

* Nationwide losses under Longshore and Harbor Workers' Act for the three-year policy period ending 12/31/2004 on the 10/01/2007 law level, and developed to an ultimate report by type of injury.

** Weighted-average.

APPENDIX D
DATA REPORTING REQUIREMENTS
G.S. 58-36-15 (g) and (h)

Item

- (g) (1) A detailed list of the rates, loss costs, rules, and policy forms filed, accompanied by a list of those superseded; and
- (2) A detailed description, properly referenced, of all changes in policy forms, rules, prospective loss costs, and rates, including the effect of each change.

Response

See the summary page at the beginning of Exhibit RB-1 and Appendix E.

Item

- (h) (1) North Carolina earned premiums at the actual and current rate level; losses and loss adjustment expenses, each on paid and incurred bases without trending or other modification for the experience period, including the loss ratio anticipated at the time the rates were promulgated for the experience period;
- (2) Credibility factor development and application;
- (3) Loss development factor derivation and application on both paid and incurred bases and in both numbers and dollars of claims;
- (4) Trending factor development and application;
- (5) Changes in premium base resulting from rating exposure trends;
- (6) Limiting factor development and application;
- (7) Overhead expense development and application of commission and brokerage, other acquisition expenses, general expenses, taxes, licenses and fees;
- (8) Percent rate or prospective loss costs change;
- (9) Final proposed rates;
- (10) Investment earnings, consisting of investment income and realized plus unrealized capital gains, from loss, loss expense, and unearned premium reserves;
- (11) Identification of applicable statistical plans and programs and a certification of compliance with them;
- (12) Investment earnings on capital and surplus;
- (13) Level of capital and surplus needed to support premium writings without endangering the solvency of member companies; and
- (14) Such other information that may be required by any rule adopted by the Commissioner.

Response

To the extent that G. S. 58-36-15 (h) applies to workers' compensation insurance voluntary loss costs and residual market rate filings, the required information is included in the 11 NCAC 10.1111 responses.

North Carolina

Appendix E

Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
0005	5.03	6.11	21.5%
0008	4.27	3.73	-12.6%
0016	13.48	10.62	-21.2%
0034	6.11	5.38	-11.9%
0035	5.08	4.66	-8.3%
0036	8.71	7.80	-10.4%
0037	6.38	7.29	14.3%
0042	9.23	9.08	-1.6%
0050	26.48	28.21	6.5%
0059	0.81	0.78	-3.7%
0065	0.18	0.18	0.0%
0066	0.18	0.18	0.0%
0067	0.18	0.18	0.0%
0079	3.77	4.57	21.2%
0083	6.56	6.06	-7.6%
0106	43.87	36.89	-15.9%
0113	6.38	6.51	2.0%
0170	5.52	4.97	-10.0%
0251	8.80	8.12	-7.7%
0400	16.38	14.79	-9.7%
0401	17.63	14.85	-15.8%
0763	3.68	3.75	1.9%
0771	1.17	1.03	-12.0%
0908	269.00 *	263.00	-2.2%
0913	625.00 *	638.00	2.1%
0917	5.41	5.53	2.2%
1005	21.91	23.07	5.3%
1164	26.39	24.58	-6.9%
1165	6.83	6.98	2.2%
1320	6.72	6.83	1.6%
1322	28.67	26.92	-6.1%
1430	8.92	6.91	-22.5%
1438	6.24	4.79	-23.2%
1452	7.79	8.03	3.1%
1463	20.92	25.18	20.4%
1470	8.07	7.83	-3.0%
1473	4.22	4.37	3.6%
1474	5.24	5.04	-3.8%
1624	6.38	7.05	10.5%
1642	9.82	9.64	-1.8%
1654	21.23	16.04	-24.4%
1655	11.46	11.86	3.5%
1699	4.85	5.15	6.2%
1701	11.21	11.26	0.4%
1710	11.84	10.06	-15.0%

* Effective 7/1/08 per Item B-1397.

North Carolina

Appendix E

Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
1741	5.11	4.88	-4.5%
1747	5.70	5.13	-10.0%
1748	9.44	9.10	-3.6%
1803	13.65	14.66	7.4%
1852	5.48	5.62	2.6%
1853	5.01	4.22	-15.8%
1860	4.24	4.66	9.9%
1924	5.33	6.00	12.6%
1925	6.33	5.96	-5.8%
2001	6.60	5.51	-16.5%
2002	6.40	5.87	-8.3%
2003	5.35	4.59	-14.2%
2014	9.03	9.52	5.4%
2016	6.11	4.84	-20.8%
2021	7.19	6.36	-11.5%
2039	8.36	9.10	8.9%
2041	6.16	6.36	3.2%
2065	6.22	7.56	21.5%
2070	8.78	8.48	-3.4%
2081	8.13	6.53	-19.7%
2089	8.40	9.08	8.1%
2095	9.77	9.30	-4.8%
2105	4.34	4.22	-2.8%
2110	2.90	2.70	-6.9%
2111	4.06	4.93	21.4%
2112	6.24	7.32	17.3%
2114	4.85	4.26	-12.2%
2121	8.40	8.32	-1.0%
2130	4.85	4.79	-1.2%
2131	4.29	4.50	4.9%
2143	6.40	5.62	-12.2%
2157	10.13	10.41	2.8%
2172	3.89	3.84	-1.3%
2174	5.75	5.96	3.7%
2211	16.91	18.26	8.0%
2220	4.72	5.38	14.0%
2286	2.49	2.16	-13.3%
2288	7.35	6.91	-6.0%
2300	8.78	6.27	-28.6%
2302	4.33	3.39	-21.7%
2305	3.10	3.72	20.0%
2361	3.80	3.44	-9.5%
2362	4.24	4.21	-0.7%
2380	4.11	3.77	-8.3%
2386	2.32	1.87	-19.4%

* Effective 7/1/08 per Item B-1397.

North Carolina

Appendix E

Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
2388	3.89	4.73	21.6%
2402	6.83	5.26	-23.0%
2413	4.69	4.48	-4.5%
2416	2.56	2.56	0.0%
2417	4.00	3.68	-8.0%
2501	4.20	4.19	-0.2%
2503	2.52	2.03	-19.4%
2534	3.78	3.35	-11.4%
2570	8.09	5.84	-27.8%
2585	6.97	6.25	-10.3%
2586	4.22	3.39	-19.7%
2587	4.94	6.00	21.5%
2589	3.95	3.55	-10.1%
2600	4.31	3.83	-11.1%
2623	8.56	6.83	-20.2%
2651	4.58	5.57	21.6%
2660	5.70	4.51	-20.9%
2670	3.15	3.14	-0.3%
2683	4.22	3.68	-12.8%
2688	6.97	8.32	19.4%
2702	24.82 *	23.30	-6.1%
2705	79.05	72.06	-8.8%
2709	24.82 *	23.30	-6.1%
2710	21.54	21.92	1.8%
2714	7.71	9.12	18.3%
2727	21.09	18.55	-12.0%
2731	9.93	8.90	-10.4%
2735	6.61	7.34	11.0%
2759	8.90	9.66	8.5%
2790	5.39	4.79	-11.1%
2791	4.02	3.70	-8.0%
2797	11.07	11.71	5.8%
2802	9.03	7.90	-12.5%
2812	7.23	8.05	11.3%
2835	3.32	3.68	10.8%
2836	4.33	4.12	-4.8%
2841	7.08	6.07	-14.3%
2881	5.19	5.80	11.8%
2883	6.20	5.73	-7.6%
2913	4.20	5.09	21.2%
2915	11.41	10.84	-5.0%
2916	6.27	5.95	-5.1%
2923	4.06	4.42	8.9%
2942	4.15	3.90	-6.0%
2960	6.52	6.65	2.0%

* Effective 7/1/08 per Item B-1397.

North Carolina

Appendix E

Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
3004	4.11	3.77	-8.3%
3018	8.98	6.42	-28.5%
3022	6.36	7.09	11.5%
3027	6.70	6.00	-10.4%
3028	11.57	11.48	-0.8%
3030	13.43	11.00	-18.1%
3040	11.39	10.12	-11.2%
3041	6.96	8.05	15.7%
3042	5.55	5.37	-3.2%
3064	10.24	11.20	9.4%
3069	15.90 *	15.43	-3.0%
3076	6.54 *	6.07	-7.2%
3081	5.86	6.40	9.2%
3082	8.99	9.79	8.9%
3085	9.21	7.62	-17.3%
3110	7.35	7.81	6.3%
3111	7.41	6.73	-9.2%
3113	4.34	3.64	-16.1%
3114	6.13	6.22	1.5%
3118	5.73	6.38	11.3%
3119	1.37	1.34	-2.2%
3122	3.44	4.19	21.8%
3126	5.79	5.26	-9.2%
3131	2.32	1.98	-14.7%
3132	6.54	7.03	7.5%
3145	4.90	4.70	-4.1%
3146	4.63	4.53	-2.2%
3169	5.12	5.18	1.2%
3175	5.68	5.38	-5.3%
3179	3.33	3.26	-2.1%
3180	7.35	5.26	-28.4%
3188	3.03	3.35	10.6%
3220	4.00	3.92	-2.0%
3223	4.72	4.17	-11.7%
3224	6.94	6.22	-10.4%
3227	6.38	7.76	21.6%
3240	5.57	4.84	-13.1%
3241	8.29	8.74	5.4%
3255	3.84	3.86	0.5%
3257	5.10	4.37	-14.3%
3270	7.17	5.13	-28.5%
3300	10.33	10.41	0.8%
3303	8.69	7.00	-19.4%
3307	15.09	10.79	-28.5%
3315	9.01	9.72	7.9%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
3334	4.87	5.37	10.3%
3336	5.66	4.97	-12.2%
3365	24.26	21.83	-10.0%
3372	5.35	5.53	3.4%
3373	13.16	11.60	-11.9%
3383	2.38	2.41	1.3%
3385	2.72	2.18	-19.9%
3400	6.74	6.25	-7.3%
3507	5.70	5.06	-11.2%
3515	5.55	5.18	-6.7%
3516	3.23	3.23	0.0%
3548	4.02	3.32	-17.4%
3559	6.72	7.70	14.6%
3574	2.11	1.92	-9.0%
3581	3.75	4.55	21.3%
3612	3.30	3.39	2.7%
3620	11.07	11.46	3.5%
3629	4.11	4.33	5.4%
3632	6.16	5.46	-11.4%
3634	3.44	3.10	-9.9%
3635	6.25	6.16	-1.4%
3638	3.82	3.32	-13.1%
3642	1.57	1.27	-19.1%
3643	5.46	5.09	-6.8%
3647	5.55	5.53	-0.4%
3648	2.85	2.63	-7.7%
3681	2.70	2.85	5.6%
3685	2.69	2.65	-1.5%
3719	4.27	3.63	-15.0%
3724	10.96	9.75	-11.0%
3726	11.61	11.75	1.2%
3803	5.66	5.24	-7.4%
3807	4.24	3.97	-6.4%
3808	4.78	4.62	-3.3%
3821	8.07	7.47	-7.4%
3822	14.04	11.46	-18.4%
3824	9.28	7.80	-15.9%
3826	1.89	1.92	1.6%
3827	2.40	2.79	16.3%
3830	6.11	5.71	-6.5%
3851	4.25	5.17	21.6%
3865	4.70	3.97	-15.5%
3881	7.16	7.83	9.4%
4000	11.99	12.18	1.6%
4021	9.25	10.08	9.0%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
4024	6.97	7.12	2.2%
4034	12.42	11.68	-6.0%
4036	5.26	5.78	9.9%
4038	8.27	9.83	18.9%
4053	6.15	6.00	-2.4%
4061	10.06	9.75	-3.1%
4062	4.22	3.86	-8.5%
4101	2.94	3.21	9.2%
4111	4.99	5.67	13.6%
4112	2.81	3.41	21.4%
4113	3.71	3.44	-7.3%
4114	10.49	11.73	11.8%
4130	10.71	11.39	6.3%
4131	8.90	9.57	7.5%
4133	4.97	4.99	0.4%
4150	1.08	1.07	-0.9%
4206	6.52	6.33	-2.9%
4207	3.51	2.92	-16.8%
4239	6.52	7.03	7.8%
4240	4.85	4.01	-17.3%
4243	3.89	4.26	9.5%
4244	4.25	4.33	1.9%
4250	3.32	3.32	0.0%
4251	3.44	3.08	-10.5%
4263	7.80	9.45	21.2%
4273	3.68	3.70	0.5%
4279	5.88	4.97	-15.5%
4282	3.60	3.17	-11.9%
4283	7.55	6.33	-16.2%
4299	3.17	3.35	5.7%
4301	2.40	2.34	-2.5%
4304	6.67	6.07	-9.0%
4307	3.23	2.34	-27.6%
4351	1.98	1.72	-13.1%
4352	2.38	2.25	-5.5%
4360	1.95	2.36	21.0%
4361	3.21	3.01	-6.2%
4362	2.69	2.61	-3.0%
4410	7.30	7.60	4.1%
4417	3.55	4.31	21.4%
4420	15.12	12.67	-16.2%
4431	2.23	2.72	22.0%
4432	2.58	2.68	3.9%
4439	3.93	3.44	-12.5%
4452	6.40	6.45	0.8%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
4459	5.79	5.15	-11.1%
4470	3.97	3.83	-3.5%
4484	6.02	6.02	0.0%
4493	10.83	9.26	-14.5%
4511	1.39	1.00	-28.1%
4557	4.15	3.52	-15.2%
4558	3.64	3.70	1.6%
4561	4.02	4.15	3.2%
4568	5.41	4.84	-10.5%
4581	2.65	2.39	-9.8%
4583	8.69	10.19	17.3%
4611	1.15	1.07	-7.0%
4635	4.63	4.28	-7.6%
4653	5.50	5.09	-7.5%
4665	14.29	16.86	18.0%
4670	8.78	7.67	-12.6%
4683	6.20	5.44	-12.3%
4686	3.46	3.35	-3.2%
4692	1.05	1.21	15.2%
4693	1.89	1.89	0.0%
4703	5.17	4.91	-5.0%
4717	5.21	4.41	-15.4%
4720	3.51	2.86	-18.5%
4740	6.02	7.32	21.6%
4741	3.35	3.03	-9.6%
4751	5.64	6.54	16.0%
4771	6.61	5.86	-11.3%
4777	10.07	9.55	-5.2%
4825	1.89	2.25	19.0%
4828	4.67	4.59	-1.7%
4829	2.54	3.08	21.3%
4902	5.46	4.82	-11.7%
4923	2.11	2.01	-4.7%
5020	20.60	20.47	-0.6%
5022	12.51	11.33	-9.4%
5037	60.38	63.67	5.4%
5040	79.66	62.71	-21.3%
5057	26.21	20.69	-21.1%
5059	74.58	72.70	-2.5%
5069	48.59	58.65	20.7%
5102	10.44	10.88	4.2%
5146	8.85	9.39	6.1%
5160	9.43	10.33	9.5%
5183	9.16	9.46	3.3%
5188	11.81	10.53	-10.8%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
5190	11.50	10.73	-6.7%
5191	1.50	1.38	-8.0%
5192	8.40	8.27	-1.5%
5213	18.15	18.29	0.8%
5215	7.80	7.61	-2.4%
5221	6.88	8.30	20.6%
5222	27.34	24.24	-11.3%
5223	10.76	9.86	-8.4%
5348	9.28	9.08	-2.2%
5402	8.81	7.63	-13.4%
5403	15.36	16.19	5.4%
5437	14.56	12.67	-13.0%
5443	15.28	11.28	-26.2%
5445	15.41	15.37	-0.3%
5462	15.21	14.23	-6.4%
5472	12.11	12.45	2.8%
5473	11.37	12.64	11.2%
5474	12.90	11.44	-11.3%
5478	9.89	9.16	-7.4%
5479	16.00	12.38	-22.6%
5480	15.68	14.68	-6.4%
5491	5.50	6.64	20.7%
5506	16.47	13.76	-16.5%
5507	9.89	8.39	-15.2%
5508	36.89	44.52	20.7%
5535	15.90 *	15.43	-3.0%
5537	13.28	11.87	-10.6%
5551	29.70	26.41	-11.1%
5606	4.87	3.68	-24.4%
5610	9.79	11.80	20.5%
5645	25.02	25.60	2.3%
5651	18.76	16.57	-11.7%
5703	28.73	33.32	16.0%
5705	10.15	12.24	20.6%
5951	0.70	0.73	4.3%
6003	17.50	17.48	-0.1%
6005	14.54	11.71	-19.5%
6017	13.36	12.73	-4.7%
6018	5.26	5.84	11.0%
6045	8.51	7.58	-10.9%
6204	34.50	29.50	-14.5%
6206	12.29	10.62	-13.6%
6213	9.26	7.76	-16.2%
6214	6.20	6.07	-2.1%
6216	14.94	15.77	5.6%

* Effective 7/1/08 per Item B-1397.

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<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
6217	11.70	11.86	1.4%
6229	10.16	9.90	-2.6%
6233	16.92	11.93	-29.5%
6235	23.83	25.78	8.2%
6236	37.13	33.79	-9.0%
6237	6.20	5.28	-14.8%
6251	23.16	27.93	20.6%
6252	17.03	15.25	-10.5%
6260	13.34	12.51	-6.2%
6306	14.96	15.10	0.9%
6319	10.83	10.99	1.5%
6325	29.18	25.14	-13.8%
6400	12.89	11.44	-11.2%
6504	5.08	4.77	-6.1%
6702	48.45	34.12	-29.6%
6703	93.02	70.18	-24.6%
6704	53.82	37.91	-29.6%
6801	5.55	5.58	0.5%
6811	5.73	5.86	2.3%
6824	11.17	12.40	11.0%
6826	12.71	11.58	-8.9%
6834	5.57	4.97	-10.8%
6836	8.22	8.12	-1.2%
6843	17.39	19.52	12.2%
6845	25.74	25.24	-1.9%
6854	10.26	11.28	9.9%
6872	24.85	31.24	25.7%
6874	43.63	49.29	13.0%
6882	9.86	9.23	-6.4%
6884	21.54	19.69	-8.6%
7016	13.28	12.20	-8.1%
7024	14.74	13.56	-8.0%
7038	12.94	12.16	-6.0%
7046	14.49	13.61	-6.1%
7047	25.48	25.11	-1.5%
7050	24.85	25.04	0.8%
7090	14.38	13.52	-6.0%
7098	16.09	15.12	-6.0%
7099	27.81	27.99	0.6%
7133	9.71	8.97	-7.6%
7151	11.81	10.90	-7.7%
7152	22.65	22.43	-1.0%
7153	13.12	12.11	-7.7%
7222	20.22	19.83	-1.9%
7228	19.97	19.38	-3.0%

* Effective 7/1/08 per Item B-1397.

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<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
7229	17.64	17.64	0.0%
7230	21.92	16.32	-25.5%
7231	10.40	11.49	10.5%
7232	15.93	16.30	2.3%
7309	37.58	31.87	-15.2%
7313	7.08	6.36	-10.2%
7317	13.30	14.68	10.4%
7323	8.60	8.77	2.0%
7327	15.93	16.08	0.9%
7333	8.60	9.88	14.9%
7335	9.53	10.99	15.3%
7337	16.49	20.34	23.3%
7350	20.83	16.41	-21.2%
7360	14.00	13.78	-1.6%
7370	8.76	8.39	-4.2%
7380	9.35	9.21	-1.5%
7382	10.72	11.73	9.4%
7390	9.05	9.05	0.0%
7394	29.61	23.57	-20.4%
7395	32.89	26.18	-20.4%
7398	56.83	48.46	-14.7%
7403	6.56	7.61	16.0%
7405	1.87	1.76	-5.9%
7420	48.45	48.88	0.9%
7421	4.45	3.32	-25.4%
7422	6.87	6.20	-9.8%
7425	16.27	17.46	7.3%
7431	5.88	7.03	19.6%
7445	0.63	0.58	-7.9%
7453	1.95	2.34	20.0%
7502	8.96	8.34	-6.9%
7515	2.61	3.25	24.5%
7520	7.37	7.49	1.6%
7529	14.80	13.03	-12.0%
7538	24.04	29.01	20.7%
7539	6.06	6.65	9.7%
7540	7.80	8.10	3.8%
7580	5.10	4.93	-3.3%
7590	8.34	7.18	-13.9%
7600	7.66	7.58	-1.0%
7601	20.26	20.45	0.9%
7605	6.49	6.76	4.2%
7610	1.53	1.40	-8.5%
7611	12.67	12.98	2.4%
7612	26.44	22.55	-14.7%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
7613	16.47	15.28	-7.2%
7705	8.76 *	8.39	-4.2%
7710	7.08 *	6.18	-12.7%
7711	7.08 *	6.18	-12.7%
7720	5.17	4.50	-13.0%
7723	4.15	4.66	12.3%
7855	39.87	28.08	-29.6%
8001	2.79	2.56	-8.2%
8002	4.31	3.64	-15.5%
8006	4.49	4.91	9.4%
8008	3.23	2.77	-14.2%
8010	3.57	3.32	-7.0%
8013	1.05	1.02	-2.9%
8015	1.98	2.16	9.1%
8017	2.99	3.34	11.7%
8018	4.49	4.31	-4.0%
8021	4.69	4.39	-6.4%
8031	5.24	4.73	-9.7%
8032	4.25	4.59	8.0%
8033	4.22	3.54	-16.1%
8039	5.21	5.55	6.5%
8044	6.29	7.43	18.1%
8045	1.14	1.21	6.1%
8046	5.21	5.22	0.2%
8047	2.04	1.83	-10.3%
8058	4.99	4.99	0.0%
8072	1.91	1.58	-17.3%
8102	3.69	4.50	22.0%
8103	5.33	4.35	-18.4%
8105	6.49	6.54	0.8%
8106	7.75	8.10	4.5%
8107	7.39	7.65	3.5%
8111	4.27	4.42	3.5%
8116	6.09	5.71	-6.2%
8203	13.39	13.51	0.9%
8204	7.08	5.96	-15.8%
8209	4.65	4.80	3.2%
8215	7.17	6.74	-6.0%
8227	9.75	9.32	-4.4%
8232	7.55	7.12	-5.7%
8233	11.19	11.11	-0.7%
8235	8.60	10.46	21.6%
8236	9.50	8.39	-11.7%
8263	16.58	17.91	8.0%
8264	10.90	9.84	-9.7%

* Effective 7/1/08 per Item B-1397.

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Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
8265	12.78	14.38	12.5%
8279	13.88	13.11	-5.5%
8288	10.44	10.12	-3.1%
8291	14.02	16.50	17.7%
8292	6.76	6.54	-3.3%
8293	18.55	16.41	-11.5%
8304	10.11	9.39	-7.1%
8350	10.36	10.75	3.8%
8380	6.06	5.60	-7.6%
8381	3.64	4.37	20.1%
8385	7.25	7.51	3.6%
8392	5.71	4.66	-18.4%
8393	4.65	4.12	-11.4%
8500	17.19	15.17	-11.8%
8601	1.95	1.92	-1.5%
8606	7.93	6.94	-12.5%
8709	7.59	6.40	-15.7%
8710	5.06	4.84	-4.3%
8719	3.17	3.52	11.0%
8720	2.97	3.37	13.5%
8721	0.99	1.16	17.2%
8726	9.66	7.47	-22.7%
8734	1.48	1.23	-16.9%
8737	1.33	1.11	-16.5%
8738	2.54	2.27	-10.6%
8742	1.08	0.91	-15.7%
8745	10.35	9.01	-12.9%
8748	1.89	1.65	-12.7%
8755	0.92	0.78	-15.2%
8799	1.96 *	1.72	-12.2%
8800	1.96	1.72	-12.2%
8803	0.22	0.20	-9.1%
8805	0.79	0.71	-10.1%
8810	0.59	0.53	-10.2%
8814	0.70	0.63	-10.0%
8815	1.37	1.31	-4.4%
8820	0.58	0.44	-24.1%
8824	6.97	6.58	-5.6%
8825	4.07	4.12	1.2%
8826	4.65	4.79	3.0%
8831	2.63	2.43	-7.6%
8832	0.74	0.71	-4.1%
8833	3.08	3.54	14.9%
8835	4.83	4.62	-4.3%
8848	6.20	6.04	-2.6%

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<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
8849	5.93	5.47	-7.8%
8868	0.92	0.89	-3.3%
8869	1.62	1.67	3.1%
8871	0.77	0.56	-27.3%
8901	0.58	0.54	-6.9%
9012	3.48	3.35	-3.7%
9014	5.55	5.75	3.6%
9015	5.98	5.47	-8.5%
9016	5.39	5.64	4.6%
9019	4.22	3.99	-5.5%
9033	3.77	3.68	-2.4%
9040	6.09	6.15	1.0%
9044	2.83	2.90	2.5%
9052	4.11	3.79	-7.8%
9058	2.52	2.45	-2.8%
9059	5.62	6.31	12.3%
9060	3.32	2.97	-10.5%
9061	2.61	2.65	1.5%
9062	3.57	2.90	-18.8%
9063	1.69	1.65	-2.4%
9077	1.87	2.12	13.4%
9082	3.21	2.96	-7.8%
9083	3.10	2.85	-8.1%
9084	2.70	2.56	-5.2%
9089	1.39	1.20	-13.7%
9093	4.65	3.34	-28.2%
9101	6.04	5.77	-4.5%
9102	4.69	5.57	18.8%
9154	3.95	3.52	-10.9%
9156	4.47	4.42	-1.1%
9170	5.55 *	5.75	3.6%
9178	19.79	18.00	-9.0%
9179	51.91	50.56	-2.6%
9180	12.92	11.53	-10.8%
9182	3.46	3.21	-7.2%
9186	51.85	64.67	24.7%
9220	8.72	8.63	-1.0%
9402	12.87	12.47	-3.1%
9403	15.77	14.56	-7.7%
9410	4.16	3.57	-14.2%
9501	4.61	4.77	3.5%
9505	7.57	8.32	9.9%
9516	4.87	5.09	4.5%
9519	8.98	8.10	-9.8%
9521	6.94	7.87	13.4%

* Effective 7/1/08 per Item B-1397.

North Carolina

Appendix E

Assigned Risk Rates Comparison

<u>Class Code</u>	<u>Current 04/01/08</u>	<u>Proposed 04/01/09</u>	<u>Percent Change</u>
9522	3.32	3.23	-2.7%
9534	13.50	15.86	17.5%
9554	21.47	25.91	20.7%
9586	1.15	1.07	-7.0%
9600	3.87	3.97	2.6%
9620	1.77	1.76	-0.6%

* Effective 7/1/08 per Item B-1397.