

November 9, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Residual Market Rate Filing

A September 1, 2009 filing was submitted to the North Carolina Commissioner of Insurance that proposed revised workers compensation insurance residual market rates, rating values and miscellaneous values.

The filing proposed an average rate level increase of 1.3% from rates effective April 1, 2009. As a result of negotiations with the North Carolina Commissioner of Insurance, a Settlement Agreement and Consent Order was signed and entered which approves a rate level change of 0.0% relative to the rates currently in effect. By industry group, the approved changes are: Manufacturing, -2.6% decrease; Contracting, 0.1% increase; Office and Clerical, -9.7% decrease; Goods and Services, 2.7% increase; and Miscellaneous, 7.6% increase. For the federal classifications, the approved overall rate level change is 12.4% relative to the current overall rate level. Within each industry group, the change will vary from the average by classification depending upon the volume and character of the particular classification experience.

The filing proposed a change in the maximum minimum premium to \$1,000. This change was approved by the Commissioner of Insurance.

The enclosed exhibits set forth the rates, rating values and miscellaneous values that have been approved for the workers compensation insurance residual market effective April 1, 2010.

The approved residual market rates and rating values are available as a Microsoft Excel spreadsheet and an Adobe Acrobat PDF file on our web site at www.ncrb.org.

Sincerely,

Sue M. Taylor

Director of Insurance Operations

SMT:dg

C-09-26