



June 23, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance  
Experience Rating  
Revision to Premium Eligibility Guidelines

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved changes to the premium eligibility guidelines for Workers Compensation in North Carolina.

The premium eligibility guidelines are revised to:

- \$8,000 per Rule 2.A.2.a, and
- \$4,000 per Rule 2.A.2.b of the Experience Rating Plan Manual.

The premium eligibility guidelines currently in use (\$5,000/\$2,500) have been in effect since December 1991. The basis for the revision was the change in the State Average Weekly Wage from 1991 (\$387.79) to 2004 (\$623.47).

As a point of clarification, the premium eligibility for the Assigned Risk Adjustment Program (ARAP) will remain tied to the premium eligibility for experience rating. Additionally, the premium eligibility for schedule rating will remain \$2,500 per Appendix D of the Basic Manual.

The new premium eligibility guidelines will apply to all experience rated risks effective January 1, 2007.

Sincerely,

Sue Taylor

Director of Workers Compensation

ST:dg

C-06-16