

December 20, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Recoupments

**IMPORTANT MATERIAL
TO BE IMPLEMENTED**

The current loss recoupment surcharge applicable for new and renewal non-fleet private passenger automobile policies effective from April 1, 2005 through March 31, 2006 will **expire** at the conclusion of that period. **No policies effective after March 31, 2006 will be subject to a loss recoupment.** Companies are advised that possibility of future loss recoupments still exists and it is recommended that companies maintain the ability to implement loss recoupments should they be necessary in the future.

Reporting for the current loss recoupment should continue under Line Code PP01 for both the Monthly Recoupment reports submitted to AIPSO and the Surcharge Detail Reports until further notice.

With respect to the "clean risk" recoupment surcharge applicable for new and renewal non-fleet private passenger automobile policies effective from October 1, 2005 through September 30, 2006 currently in place, there is no change to this recoupment surcharge.

Please see to it that the above is brought to the attention of all interested personnel in your company responsible for programming, policy issuance or completing and submitting the monthly accounting reports. Questions regarding this circular should be directed to Liz Polley at 919-783-9790 or erp@ncrb.org .

Sincerely,

Edith T. Davis

Director, Reinsurance Facility

RF-05-10

Enclosures

NCRF RECOUPMENTS AND ALLOCATIONS

<u>Type</u>	<u>Line Code</u>	<u>Applicable to Policies Effective</u>	<u>Which Policies?</u>	<u>% Surcharge</u>
φ Clean Risk Recoupment	---	3/1/80- 2/28/81	All Subj. to SDIP	1.1%
φ Clean Risk Recoupment	---	3/1/81- 9/30/81	All Subj. to SDIP	1.4%
φ Clean Risk Recoupment	---	10/1/81- 3/31/82	All Pointed SDIP	1.8%*
φ Clean Risk Recoupment	---	4/1/82- 3/31/83	All Pointed SDIP	4.0%*
φ Clean Risk Recoupment	---	4/1/83- 3/31/84	All Pointed SDIP	4.2%*
φ Clean Risk Recoupment	---	4/1/84- 3/31/85	All Pointed SDIP	4.3%*
φ Clean Risk Recoupment	---	4/1/85- 3/31/86	All Pointed SDIP	5.7%*
φ Clean Risk Recoupment	---	4/1/86- 3/31/87	All Pointed SDIP	8.1%*
φ Clean Risk Recoupment	---	4/1/87- 3/31/88	All Pointed SDIP	8.8%*
φ Clean Risk Recoupment	---	4/1/88- 6/30/88	All Pointed SDIP	10.8%*
φ Clean Risk Allocation	---	7/1/88- 6/30/89	All PPNF	0.6%*
φ Clean Risk Recoupment	---	7/1/88- 6/30/89	All Pointed SDIP	8.6%*
φ Clean Risk Allocation	---	7/1/89- 6/30/90	All PPNF	2.8%*
φ Clean Risk Recoupment	---	7/1/89- 6/30/90	As Per SDIP	14.6%*
φ Clean Risk Allocation	---	7/1/90- 6/30/91	All PPNF	3.65%*
φ Clean Risk Recoupment	---	7/1/90- 6/30/91	As Per SDIP	12.60%*
φ Clean Risk Allocation	---	7/1/91- 6/30/92	All PPNF	3.85%*
φ Clean Risk Recoupment	---	7/1/91- 6/30/92	As Per SDIP	8.60%*
φ Clean Risk Allocation	---	7/1/92- 6/30/93	All PPNF	6.79%*
φ Clean Risk Recoupment	---	7/1/92- 6/30/93	As Per SDIP	10.23%*
φ Clean Risk Allocation	---	7/1/93- 6/30/94	All PPNF	5.68%*
φ Clean Risk Recoupment	---	7/1/93- 6/30/94	As Per SDIP	5.00%*
φ Clean Risk Allocation	---	7/1/95- 6/30/96	All PPNF	2.98%*
φ Clean Risk Allocation	---	7/1/96- 6/30/97	All PPNF	3.71%*
φ Clean Risk Allocation	---	7/1/97- 6/30/98	All PPNF	4.11%*
φ Clean Risk Allocation	---	7/1/98- 6/30/99	All PPNF	3.63%*
φ Clean Risk Allocation	---	7/1/99- 6/30/00	All PPNF	1.07%*
φ Clean Risk Recoupment	---	7/1/00- 6/30/01	All PPNF	5.15%*
φ Clean Risk Recoupment	---	7/1/01- 6/30/02	All PPNF	7.22%*
φ Clean Risk Recoupment	---	7/1/02- 6/30/03	All PPNF	6.79%*
† Clean Risk Recoupment	3A15	7/1/03- 6/30/04	All PPNF	5.05%*
† Clean Risk Recoupment	3A16	7/1/04- 3/31/05	All PPNF	5.35%*
Clean Risk Recoupment	CR01	4/1/05- 9/30/05	All PPNF	6.43%*
Clean Risk Recoupment	CR02	10/1/05- 9/30/06	All PPNF	9.71%*

φ These surcharges closed in prior years.
 * Excluding agent compensation or commission.
 † This surcharge closed 7/31/05.

NCRF RECOUPMENTS AND ALLOCATIONS

<u>Type</u>	<u>Line Code</u>	<u>Applicable to Policies Effective</u>	<u>Which Policies?</u>	<u>% Surcharge</u>
φ Prior Loss-Direct	---	3/1/80- 2/28/81	All Facility #	18.6%
φ Prior Loss-Direct	---	3/1/81- 9/30/81	All Facility #	16.4%
φ Prior Loss-Assmt.	---	10/1/81- 2/28/82	All Pointed SDIP	13.3%*
φ Qtrly. Assessment	---	4/1/80- 6/30/80	All	5.3%
φ Qtrly. Assessment	---	7/1/80- 9/30/80	All	5.3%
φ Qtrly. Assessment	---	10/1/80-12/31/80	All	4.9%
φ Qtrly. Assessment	---	1/1/81- 3/31/81	All	8.3%
φ Qtrly. Assessment	---	4/1/81- 6/30/81	All	5.7%
φ Qtrly. Assessment	---	7/1/81- 9/30/81	All	0.4%
φ Qtrly. Assessment	---	10/1/81-12/31/81	All Pointed SDIP	9.7%*
φ Qtrly. Assessment	---	1/1/82- 3/31/82	All Pointed SDIP	9.7%*
φ Qtrly. Assessment	---	4/1/82- 3/31/83	All Pointed SDIP	5.5%*
φ Loss Assessment	---	4/1/83- 3/31/84	All Pointed SDIP	12.6%*
φ Loss Assessment	---	4/1/84- 3/31/85	All Pointed SDIP	20.2%*
φ Loss Assessment	---	4/1/85- 3/31/86	All Pointed SDIP	18.6%*
φ Loss Assessment	---	4/1/85- 3/31/86	All Except PPNF	2.8%*
φ Loss Assessment	---	4/1/86- 3/31/87	All Pointed SDIP	26.9%*
φ Loss Assessment	---	4/1/86- 3/31/87	All Except PPNF	5.6%*
φ Loss Assessment	---	4/1/87- 3/31/88	All Pointed SDIP	31.4%*
φ Loss Assessment	---	4/1/87- 3/31/88	All Except PPNF	1.8%*
φ Loss Assessment	---	4/1/88- 6/30/88	All Pointed SDIP	35.6%*
φ Loss Assessment	---	4/1/88- 6/30/88	All Except PPNF	1.3%*
φ Loss Allocation	---	7/1/88- 6/30/89	All PPNF	1.9%*
φ Loss Assessment	---	7/1/88- 6/30/89	All Pointed SDIP	25.5%*
φ Loss Assessment	---	7/1/88- 6/30/89	All Except PPNF	1.5%*
φ Loss Allocation	---	7/1/89- 6/30/90	All PPNF	1.8%*
φ Loss Assessment	---	7/1/89- 6/30/90	As Per SDIP	9.4%*
φ Loss Allocation	---	7/1/90- 6/30/91	All PPNF	0.19%*
φ Loss Assessment	---	7/1/90- 6/30/91	As Per SDIP	0.67%*
Loss Recoupment	PP01	4/1/05- 3/31/06	All PPNF	4.17%*

φ These surcharges closed in prior years.
 # Except certain policies produced by designated agents.
 * Excluding agent compensation or commission.