

November 4, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Data Confidentiality Statement

Data collected by the NC Rate Bureau on behalf of our member companies has been the subject of various inquiries from state and federal government agencies. The Rate Bureau has received requests from member companies to outline our handling of data as it relates to data confidentiality. The Rate Bureau has long had a policy of treating individual company data as confidential. In response to these member requests and to formalize that long-standing policy, the Rate Bureau has developed and formally adopted the attached Statement of Policy on Data Confidentiality regarding our handling of the individual company data of our member companies. This Statement of Policy is published on our website ([www.ncrb.org](http://www.ncrb.org)) under the About NCRB tab.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:dms

Attachments

A-15-8

## STATEMENT OF POLICY ON DATA CONFIDENTIALITY

In order to fulfill its role as the statutory rating organization for automobile, residential property and workers' compensation insurance in North Carolina, the Rate Bureau collects certain statistical and financial data from its member companies and on occasion may be provided by statistical agents' data that have been reported by its member companies to those statistical agents. The Rate Bureau acknowledges that such data are valuable assets of the companies that the companies treat as proprietary and confidential and in which the companies have ownership rights or other legal interests.

The Rate Bureau shall take commercially reasonable steps to preserve the confidential and proprietary nature of individual company data provided to the Rate Bureau and will use such data only in accordance with the laws governing the operations of the Rate Bureau and not for any other purpose. The Rate Bureau, in furtherance of its statutory duties and obligations, may distribute individual company data aggregated with data and information submitted to the Rate Bureau by other companies and/or by the statistical agents.

The Rate Bureau will not release disaggregated data that identifies individual companies, individual claimants or customers or data identified with an individual company, except that the Rate Bureau may use and distribute disaggregated data for the following purposes:

- (a) Experience modifications, experience modification worksheets and classification information.
- (b) Proof of coverage services as applicable and required under North Carolina law.
- (c) Residual market expiration reports as applicable under North Carolina law.
- (d) In response to data requests or discovery requests in rate filings or other litigation in which the Rate Bureau is a party, so long as the Rate Bureau takes reasonable steps to remove information which identifies individual company data or individual claimants or customers.
- (e) In response to a subpoena or court order for data other than those specifically identified above, provided that, if such subpoena or court order seeks disclosure of data containing confidential, proprietary or trade secret information of a member company, the Rate Bureau will (1) endeavor to promptly provide the affected company or companies written notice of such subpoena or court order prior to the release of such data and (2) reasonably cooperate with the affected company or companies to accord such data the maximum confidential treatment available.

The Rate Bureau will allow access to individual company data provided to the Rate Bureau by the companies or through their statistical agents only to employees, consultants and attorneys whose work for the Rate Bureau requires such access, provided such persons have confidentiality obligations with the Rate Bureau that are no less protective than this Statement.