

June 23, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

ConAgra Plant Explosion

An explosion occurred at a ConAgra (Slim Jim) food processing plant in Garner, NC at approximately 11:30 a.m. on Tuesday, June 9, 2009. While the full impact is still being determined, it is expected that there will be a number of workers compensation claims, including death claims and other injuries to employees. As a result of the preliminary loss estimates provided, the North Carolina Rate Bureau has determined that this event qualifies as an extraordinary loss event.

An extraordinary loss event determined by the North Carolina Rate Bureau requires the establishment of a unique Catastrophe Number to identify all claims involved. Catastrophe Number 77 has been established for this event with an accident date of June 9, 2009.

The North Carolina Rate Bureau is providing reporting instructions for data providers to identify claims resulting from the explosion at the ConAgra (Slim Jim) Plant in Garner, NC. Please review the information contained in this circular to allow for proper coding and reporting of these claims for submitting:

- Unit Statistical Data (reported to NCRB or NCCI)
- Detailed Claim Information (reported to NCCI)
- Financial Call data (reported to NCCI)

We have contacted NCCI and they will also issue a circular with these same data reporting instructions for Catastrophe Code 77.

Unit Statistical Data Reporting Instructions

The earliest possible reporting of unit statistical reports containing Catastrophe Number 77 Claims will be for policies effective May 2008, which will be valued as of November 2009 and due for reporting by January 2010. (The May 2008 date addresses policies that extend up to one year and 16 days.)

For these claims, report "77" in the Catastrophe Field.

Detailed Claim Information (DCI) Reporting Instructions

The earliest reporting of DCI claims for this catastrophe (if any of these claims are included in your DCI sample) will be based on claims with a Reported to Insurer Date of June 9, 2009, which will be valued as of December 2009 and reported (due) to NCCI in February 2010. Although NCCI does not collect the Catastrophe Number on the DCI record layout, there is other information on the DCI record layout that will enable the identification of these claims.

Financial Call Reporting Instructions

Financial call reporting for claims identified with Catastrophe Number 77 will begin with the 2010 reporting season for calls valued as of December 31, 2009. The following requirements apply to specific financial calls:

- Catastrophe Number 77 Claims must be identified separately within Call #31—Large Loss and Catastrophe. Call #31 will be modified for the 2010 reporting season to add the instructions pertaining to Catastrophe Number 77 Claims.
- Catastrophe Number 77 Claims must be included in the ratemaking financial calls which are the following:
 - Call #3—Policy Year
 - Call #3A—Policy Year—Assigned Risk
 - Call #5—Calendar-Accident Year
 - Call #5A—Calendar-Accident Year—Assigned Risk
 - Call #8—Reconciliation Report
 - Call #14—Calendar Year Expense
 - Call #19—Accident Year Countrywide Loss Adjustment Expense
 - Call #26—North Carolina Addendum for Calls #3, #5, and #19

Reporting instructions for Catastrophe Number 77 will be included in the 2010 edition of NCCI's ***Reporting Guidebook for the Annual Calls for Experience***.

NCRB and NCCI are currently analyzing how these claims will be treated for intrastate and interstate experience rating modification purposes. When a decision is reached, NCRB and NCCI will communicate this information to the industry.

Regarding the overall impact of these Catastrophe Number 77 Claims on future North Carolina loss costs, NCCI will begin to analyze the loss experience starting with the financial calls valued as of December 31, 2009, which will be collected in early 2010.

Editing Requirements

NCRB and NCCI are currently evaluating Unit Statistical and Financial Call data editing requirements for Catastrophe Number 77 Claims. When these requirements are developed, they will be included in the following manuals:

- North Carolina Rate Bureau's ***Statistical Plan Manual***
- NCCI's ***Unit Statistical Reporting Guidebook*** (Unit Edit Matrix)
- NCCI's ***Reporting Guidebook for the Annual Calls for Experience*** (Financial Call Edit Matrix)

For additional information, please contact the Information Center at 919-582-1056 or WCInfo@ncrb.org.

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dg

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