

July 13, 2009

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Updated Fine Procedures

The North Carolina Rate Bureau regularly distributes invoices related to fines for WC policy keying charges, WC USR data reporting and Personal Lines IDC charges. The invoice is sent to the contact designated by the member company and includes detail information for each of the charges shown on the invoice. Effective July 15, 2009, the following procedures will be put in place:

Appeals/Requests For Waivers:

- Carriers have 90 days after the receipt of the invoice to appeal fines. All appeals must be in writing, must include the invoice number in question and must set forth all the factors which the carrier wishes to be considered in review of the appeal. The appeals should be sent directly to Delisa Fairley, Insurance Operations Data Manager, at ddf@ncrb.org.
- Appeals will be reviewed by Bureau staff and will be responded to within 30 days of receipt.
- If a company disagrees with Bureau staff on the computation of any fine or with Bureau staff's determination of a valid fine, the company may request further appeal of the fines to Sue Taylor, Director of Insurance Operations, at smt@ncrb.org. The results of the review will be communicated to the carrier within 30 days of receipt.
- Member companies wishing to further appeal the decision of Bureau staff may request review of such decision by the Governing Committee of the North Carolina Rate Bureau. The review by the Governing Committee will take place at the next regularly scheduled meeting of the Governing Committee after the appeal.

Follow-up for Late Fines:

- Once a month, carriers will receive detail information regarding all outstanding payments due to NCRB. (Note: Personal Lines IDC charges are sent out once a year, but fines that remain unresolved will be handled in the same manner as the Policy Keying and USR charges).
- Carriers that have fines 90 days past due will receive a follow-up letter from Bureau staff notifying them of the outstanding balance and requesting prompt remittance of payment. The initial communication will be sent to the company contact responsible for the submission of the data.

- If no response is received as a result of the first letter, a second follow-up letter will be sent 30 days later. The second letter will be sent to the company contact responsible for the submission of the data as well as the President or CEO of the company. If the outstanding balance is in excess of \$10,000, contact is made with the CFO as well.
- If no response is received as a result of the second letter, a third follow-up letter will be sent to the President or CEO of the company. The third letter will provide specific detail of the Bureau's next course of action if the outstanding amount remains unresolved. The course of action may include an appearance before the North Carolina Rate Bureau's Governing Committee or escalation to the North Carolina Department of Insurance.

The procedures as outlined above will be displayed on the North Carolina Rate Bureau's website at www.ncrb.org. On the Workers Compensation tab, the information can be viewed by selecting Carrier from the drop down menu and Data Reporting. On the Personal Lines tab, the information can be viewed under the Expense Experience links.

Contact Delisa Fairley at ddf@ncrb.org if you have any questions concerning this circular.

Sincerely,

Sue Taylor

Director of Insurance Operations

ST:dg

C-09-17