

August 22, 2005

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

*North Carolina Statistical Plan Manual -
Fining Procedure Implementation*

The 2000 edition of the *North Carolina Statistical Plan Manual* included a provision for fining due to the late reporting of unit statistical data. Effective June 1, 2006, the North Carolina Rate Bureau will implement the fining procedure for both delinquent and rejected unit statistical reports.

As part of our ongoing effort to improve data quality, unit statistical reports will be tracked for timeliness (delinquent) and accuracy (rejected). All unit statistical reports filed with NCRB will be tracked and may become subject to fines. The Delinquent Report will list all policies with effective dates twenty (20) months prior to the date of the report for which unit reports have not been received in the NCRB offices. If a Unit statistical report is rejected and the effective date exceeds the valuation of the 20th month and the date of the Reject Notice exceeds 60 days, the rejected unit report will be on the Delinquent Follow Up list and subject to fines. Rejected unit reports must be corrected through a correction report or other acceptable means to avoid being subject to fines. If an insured is included on the list that the carrier feels should not have been included, due to either the unit report being filed, the policy being canceled flat or other changes, the carrier must notify NCRB prior to the issuance of any fines.

All units not received within thirty (30) days after issuance of the Delinquent Report will be subject to a \$50 fine. Delinquent unit statistical reports or rejected unit statistical reports will be subject to a \$50 fine for each month the report or correction remains outstanding. Notices and invoices will be issued at monthly intervals.

To assist carriers in identifying outstanding rejected unit reports, the North Carolina Rate Bureau will be mailing aggregate lists of rejected units to the appropriate office within the next 30 days. It is advised that you review this report and also Appendix A of the *North Carolina Statistical Plan Manual*. If you have any questions, please call the Customer Service Department of NCRB.

Sincerely,

Sue Taylor

Director of Workers Compensation

ST:dg

C-05-6