



March 8, 2006

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**RE: ASSIGNED RISK TAKE-OUT CREDIT PROGRAM—CALENDAR YEAR 2005**

Dear Carriers:

Enclosed are the materials needed to apply for Calendar Year 2005 Take-Out Credits in **North Carolina**.

The Take-Out Credit Program is designed to encourage insurers to depopulate the residual market. This is accomplished by providing “credits” to insurers for the premium associated with the voluntary policies of employers that the insurer has removed from the residual market. The credits are against an insurer’s calendar year voluntary premium. Calendar year voluntary premium is used as the basis for the apportionment of the results of the residual market in a given state.

In order to receive consideration for credits under the Take-Out Credit Program for Calendar Year 2005 premium, insurers must submit a formal request for such credits electronically. **Hard copy submissions will not be accepted.**

**Reporting Instructions** are enclosed in this Take-Out reporting package. **Please note that the deadline for submission for Calendar Year 2005 Take-Out Credits is March 24, 2006.**

The information requested in the spreadsheets is necessary in order to validate the Take-Out application against the residual market policy maintained by the North Carolina Rate Bureau. In all cases, premium must be reported on the same basis as reflected on page 14 of the insurer’s Annual Statement.

**If incomplete or inaccurate information is submitted, it may be difficult or impossible to verify the requested policies for Take-Out Credits. If the North Carolina Rate Bureau receives an incomplete or inaccurate submission, a portion or an entire request for credits may be rejected. For this reason, please read the reporting instructions carefully.**

Please e-mail your data to Betty Hurst at [bgh@ncrb.org](mailto:bgh@ncrb.org).

Sincerely,

Sue Taylor

Director, Workers Compensation

ST:dg

C-06-7

## Reporting Instructions for Take-Out Credits to the North Carolina Rate Bureau

Take-Out Credit records must be submitted electronically to [bgh@ncrb.org](mailto:bgh@ncrb.org).  
**Hard copy submissions will not be accepted.**

Please note: Each file must be submitted with the individual carrier code as assigned by NCCI. If you are reporting for more than one carrier, **do not group policies** under one carrier code.

The first file section to complete is Contact Data. This portion consists of the following information:

- Carrier Name
- Carrier Code
- Contact Name
- Telephone Number
- Fax Number
- E-mail Address

The second section is Take-Out Credit Data. This portion consists of the following information:

- |  |                                    |
|--|------------------------------------|
| ➤ Enter Request*   | ➤ Prior Policy Number (optional)   |
| ➤ Policy Type  | ➤ State(s)                         |
| ➤ Current Policy Number                                      | ➤ State Developing Highest Payroll |
| ➤ Current Policy Effective Date                              | ➤ Employer FEIN                    |
| ➤ First Year Insured was removed<br>from the Residual Market | ➤ Primary Insured Name             |
|  | ➤ Premium (by state)               |

\* This column should be used only when responding to validation questions posed by the North Carolina Rate Bureau.

When reporting your data, please remember to send in all policy information as it's reported to the North Carolina Rate Bureau's Policy Systems. **If an error report is sent to you, please correct all of the indicated errors and return only the corrected information to Betty Hurst at [bgh@ncrb.org](mailto:bgh@ncrb.org) no later than April 7, 2006.**

Take-Out Credit - Carrier Input Form

Carrier Name:  
Carrier Code:  
Contact Name:  
Telephone:  
Fax:  
Email Address:

**Use this form to add, delete or modify policy and premium information.**  
**All submissions are subject to review and validation and must be received by the North Carolina Rate Bureau via return email no later than March 24, 2006.**

Status	Policy Information								
Enter Request: (A)dd, (D)elete, (M)odify	Enter Policy Type: (S)tandard (R)etro (D)eductible	Current Policy #	Current Policy Effective Date	Prior Policy # (optional)	State(s)	State Developing Highest Payroll	Employer FEIN	Primary Insured Name	Premium (by state)