

NORTH CAROLINA RATE BUREAU

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November 21, 1994

CIRCULAR LETTER TO ALL MEMBER COMPANIES

**Re: Workers Compensation Insurance
Members of a Limited Liability Company**

The Bureau has adopted and the North Carolina Department of Insurance has approved a proposal to establish Basic Manual rules for members of a limited liability company (LLC).

Effective October 1, 1993 the North Carolina General Assembly authorized the creation of a limited liability company; however, the legislation did not address how members of an LLC were to be treated for workers compensation insurance purposes. The North Carolina Industrial Commission has recently taken the position that members of an LLC should be treated in a manner analogous to partners and the proposed rules implement that interpretation.

A copy of the Filing Memorandum and an Exhibit that outlines changes in the North Carolina State Pages of the Basic Manual are attached.

The proposed changes have been approved effective December 1, 1994, applicable to new and renewal policies.

Reprinted Basic Manual pages will be distributed in the usual manner.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

JGH:lm

C-94-17

[Enclosures](#) (Exhibit not included)