

**NORTH CAROLINA RATE BUREAU**

**POST OFFICE BOX 176010  
RALEIGH, NORTH CAROLINA 27619-6010**

JOHN W. WATKINS  
General Manager

3401 SIX FORKS ROAD  
RALEIGH, NORTH CAROLINA 27609-4435

TELEPHONE (919) 783-9790  
FAC SIMILE (919) 783-7447

JERRY O. HAMRICK  
Workers Compensation Manager

DAVID E. STOK, JR.  
Accounting Manager

CHARLES B. TAYLOR  
Personal Lines Manager

**June 6, 1994**

**CIRCULAR LETTER TO ALL MEMBER COMPANIES**

**Re: North Carolina Workers Compensation Insurance Plan**

**The Bureau has adopted and the North Carolina Department of Insurance has approved a restructured North Carolina Workers Compensation Insurance Plan to become effective July 1, 1994.**

**The following documents are enclosed:**

**Filing Memorandum - Restructured Workers Compensation Insurance Plan**

**Exhibit I - North Carolina Workers Compensation Insurance Plan**

**Exhibit II - Articles of Agreement**

**North Carolina General Statute 58-36-1 requires every member of the Bureau that writes workers compensation insurance in this State to insure and accept "difficult to place" risks pursuant to such rules as are adopted by the Bureau and approved by the Commissioner of Insurance. The NCWIP offers three options, two of which are currently available, by which a member company may meet its assigned risk obligation.**

**Option 1 Becoming a direct assignment carrier and receiving direct assignments from the Plan Administrator as provided in the Plan.**

**Option 2 Contracting with either an approved direct assignment carrier or servicing carrier appointed by the Plan Administrator to accept assignments on its behalf. Any such contract is to be filed with and approved by the Plan Administrator. Any policy issued under this Option shall not be eligible for reinsurance under the Articles of Agreement.**

**Option 3 Subscribing to the Articles of Agreement which are incorporated as a part of the**

## **Plan.**

**Carriers which have elected to participate or continue participation in the reinsurance mechanism represented by the Articles of Agreement for 1994 have already exercised Option 3 for 1994. Such carriers may not make a new election for 1994. A 1995 Membership Election package will be distributed by the National Council on Compensation Insurance to assist carriers in their deliberations regarding participation in the residual market mechanism for next year.**

**If you wish to elect Option 1 you must, within 30 days of receipt of this Circular Letter, make application to the Rate Bureau for approval to act as a direct assignment carrier under the Plan. Each carrier which elects Option 1 to act as a direct assignment carrier will be treated by the Plan Administrator as an authorized direct assignment carrier while the application is pending. If the application is disapproved or if the Rate Bureau fails to act on such application within 90 days, it is deemed disapproved and such carrier will then automatically revert to Option 3 as of the date of disapproval.**

**Each carrier which wishes to elect Option 2 effective on or after January 1, 1995 must contact the Rate Bureau with regard to the contract and approval.**

**Any questions regarding your obligation under the Plan should be directed to the Bureau.**

**Very truly yours,**

**Jerry G. Hamrick**

**Workers Compensation Manager**

**JGH:lm**

**Enclosures (Attachments Not Included)**

**C-94-4**