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October 6, 1995

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance
Schedule Rating Plan

The Bureau has adopted and the North Carolina Commissioner of Insurance has approved a proposal to introduce a Schedule Rating Plan in North Carolina.

The Schedule Rating Plan will permit insurers to modify the workers compensation premium for a risk, subject to a maximum 25% credit or 25% debit, based upon specific conditions of the risk that are not included in its experience. Schedule rating is available for risks whose premium is equal to or greater than the minimum premium required for eligibility for experience rating. Schedule rating is not applicable to residual market risks.

The attached Schedule Rating Plan has been approved to become effective November 1, 1995, applicable to new and renewal policies only.

Pursuant to N.C.G.S. 58-36-100(1), as a result of the Commissioner's approval of the Bureau filing, (i) a carrier may elect to implement the filing; (ii) a carrier may elect to implement the filing with a different effective date, in which event the carrier must notify the Commissioner of its effective date before the effective date of the Bureau filing; (iii) a carrier may elect not to implement the filing, in which event the carrier must notify the Commissioner before the effective date of the Bureau filing; or (iv) a carrier may elect to implement the filing with modifications, in which event the carrier must file the modification with the Commissioner for approval, and must specify the basis for the modification and the carrier's proposed effective date if different from the effective date of the Bureau filing.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

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Enclosure