

**NORTH CAROLINA RATE BUREAU**

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May 9, 1995

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Item 01-NC-94 - Loss Sensitive Rating Plan

The Loss Sensitive Rating Plan (LSRP), a mandatory assigned risk retrospective rating program for employers having residual market premium equal to or exceeding \$200,000, was approved in North Carolina to apply to eligible accounts with effective dates on or after April 1, 1995. A Circular Letter to All Member Companies (C-94-14) dated October 12, 1994 announced approval and furnished details of the LSRP.

The LSRP requires the assigned risk carrier to provide eligible employers with details of the LSRP. Additionally, the current North Carolina Application for Workers Compensation Insurance (WC-AR-19H) places an obligation on the agent or producer since it includes an acknowledgment that the LSRP has been explained or that an explanatory notice or brochure has been provided to a potentially eligible employer.

The National Council on Compensation Insurance has published a brochure, *The Loss Sensitive Rating Plan (LSRP), An employer's guide to the mandatory assigned risk retrospective rating program*, which provides an overview of the program. It assists employers in understanding the purpose and impact of the Loss Sensitive Rating Plan and answers most commonly asked questions. To receive a copy of the brochure, write to NCCI Order Processing Department, 750 Park of Commerce Drive, Boca Raton, Florida, 33487 (or call 1-800-622-4123) and reference Product Code 3572. The price is \$5.00 per 3-copy package.

Very truly yours,

Jerry G. Hamrick

Workers Compensation Manager

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