

August 31, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance
2015 Residual Market Rate Filing

On August 28, 2015, a filing was submitted to the North Carolina Commissioner of Insurance proposing residual market workers compensation insurance rates, rating values and miscellaneous values to become effective April 1, 2016.

The filing proposes an average increase of +2.2% in the overall premium level of the workers compensation insurance residual market in North Carolina. This change includes a -10.2% decrease in loss costs, and an increase of +13.8% in the loss cost multiplier.

By industry group, the changes are: Manufacturing, +3.1% increase; Contracting, +0.2% increase; Office & Clerical, +1.5% increase; Goods & Services, +2.1% increase; and Miscellaneous, +4.1% increase. Within each industry group the change will vary from the average by classification depending upon the volume and character of the particular classification experience.

The filing proposes a reduction in the expense constant from \$250 to \$160. The filing proposes no change to the minimum premium multiplier of 200 or the maximum minimum premium of \$1,500.

For residual market rates for classifications which contemplate exposure under the United States Longshore and Harbor Workers' Compensation Act ("F" classifications), the filing proposes an average increase of +12.7%.

Residual market rates and rating values were filed for policies becoming effective April 1, 2016, applicable to policies as of the first normal anniversary rating date which is on or after April 1, 2016.

A copy of the complete filing can be found on our website.

Sincerely,

Joanna Biliouris

Chief Operating Officer
NC Rate Bureau

JB:dms
C-15-14