



October 21, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIESRe: Workers Compensation Insurance

Loss Costs Filing

A loss costs reference filing has been filed with the North Carolina Commissioner of Insurance to become effective April 1, 2016. This filing was approved by the North Carolina Commissioner of Insurance, as filed, to become effective April 1, 2016. Pursuant to the provisions of North Carolina General Statute §58-36-100, a copy of the approved prospective advisory loss costs and a copy of the original reference filing may be obtained from the NCRB web site ([April 1, 2016 loss costs filing](#)).

The attached exhibits set forth the approved prospective advisory loss costs, rating values and miscellaneous rating values effective April 1, 2016. Except for loss adjustment expenses that are specifically authorized to be included in the loss costs by statute, these loss costs and rating values include no provisions for expenses, dividends, profit or contingencies. The values changes from NCCI Item Filing R-1410 (Retrospective Rating Plan Parameters- Excess Loss Pure Premium Factors and Excess Loss and Allocated Expense Pure Premium Factors) and the values and manual changes from NCCI Item Filing R-1411 (Retrospective Rating Plan Hazard Group Differentials and Manual Rules) were a part of this filing and have also been approved as filed.

Pursuant to NCGS §58-36-100, the prospective loss costs reference filing does not develop or propose minimum premiums, minimum premium formulas, expense constants or premium discount plans. Any amendments to an insurer's current minimum premiums, minimum premium formula, expense constant or premium discount plan must be filed by the insurer with the North Carolina Department of Insurance.

With regard to the Bureau's prospective loss costs reference filings, NCGS §58-36-100(j) provides as follows:

- (1) If the insurer has filed to have its loss multiplier remain on file, applicable to subsequent reference filings, and a new reference filing is filed and approved and if:
  - a. The insurer decides to use the revision of the prospective loss costs and effective date as filed, then the insurer does not file anything with the Commissioner. Rates are the combination of the prospective loss costs and the on-file loss multiplier and become effective on the effective date of the loss costs.
  - b. The insurer decides to use the prospective loss costs as filed but with a different effective date, then the insurer must notify the Commissioner of its effective date before the effective date of the loss costs.
  - c. The insurer decides to use the revision of the prospective loss costs, but wishes to change its loss multiplier, then the insurer must file a revised reference filing adoption form before the effective date of the reference filing.
  - d. The insurer decides not to revise its rates using the prospective loss costs, then the insurer must notify the Commissioner before the effective date of the loss costs.

- (2) If an insurer has not elected to have its loss multiplier remain on file, applicable to future prospective loss costs reference filings, and a new reference filing is filed and approved, and if:
  - a. The insurer decides to use the prospective loss costs to revise its rates, then the insurer must file a reference filing adoption form, including its effective date.
  - b. The insurer decides not to use the revisions, then the insurer does not file anything with the Commissioner.
  - c. The insurer decides to change its multiplier, then the insurer must file a reference filing adoption form referencing the current approved prospective loss costs, including its effective date and, if applicable, its loss costs modification factor and supporting documentation. The insurer shall not make a change to its loss cost multiplier based on any reference filing other than the current approved reference filing.

Included in the attached exhibits are approved advisory Miscellaneous Values and Retrospective Rating Plan State Special Rating Values. Pursuant to NCGS §58-36-100(l), as a result of the Commissioner's approval of the miscellaneous and Retrospective Rating Plan values, (i) a carrier may elect to implement the values, in which event the carrier need not file anything with the Commissioner; (ii) a carrier may elect to implement the values 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 values, 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 values with modifications, in which event the carrier must file the modifications with the Commissioner, must specify the basis for the modifications and must specify the carrier's proposed effective date, if different from the effective date of the Bureau filing.

With regard to the Loss Elimination Ratios shown with the advisory Miscellaneous Values, a carrier should file with the Commissioner its factor(s) to be applied to the approved Loss Elimination Ratios or its own table of deductible percentages. Similarly, with regard to the Retrospective Rating Plan, each carrier should file its factor(s) to be applied to the Excess Loss Pure Premium Factors and Excess Loss and Allocated Expense Pure Premium Factors or file its own tables. It is the Rate Bureau's interpretation of the statute that, if the carrier's factors for these tables have previously been filed and approved, or, if filed on or after September 1, 1997 and not disapproved, and, if the carrier's factors will not be revised, they may be applied to the April 1, 2016 tables without a new filing with the Commissioner.

Note: The obligations of carriers with respect to use of the prospective loss costs and use of the advisory Miscellaneous Values and Retrospective Rating Plan State Special Rating Values are different. The statutory provisions with regard to use of the approved prospective loss costs and an insurer's loss multiplier are set forth in NCGS §58-36-100, portions of which have been quoted above. With respect to the advisory Miscellaneous Values, and Retrospective Rating Plan State Special Rating Values, a carrier is required to implement those values to become effective April 1, 2016 unless it makes a filing with the Commissioner indicating that it elects to do otherwise, as described above.

As previously stated, except for loss adjustment expenses, the approved prospective loss costs include no provisions for expenses. For your information, the premium tax is currently 2.5% of premium and the insurance regulatory charge is 6.5% of the premium tax for the 2016 calendar year.

The North Carolina Department of Insurance (a) Reference Filing Adoption Form, (b) Summary of Supporting Information Form - Calculation of Company Loss Costs Multiplier and (c) Summary of Supporting Information Form - Expense Provisions Exhibit, which have been developed for insurers to file their loss costs multipliers and/or amend minimum premium formulas, expense constants or premium discount schedules, may be found under "[Loss Costs and Assigned Risk Rates](#)" under Workers Compensation on the Rate Bureau's web site.

Note: The Reference Filing Adoption Form should be completed to show NCDOI File Number: NCRI-130223759, NCRB Reference Filing Date: August 28, 2015 and NCRB Effective Date: April 1, 2016. Item 7, "Provision for loss based assessments" of the Summary of Supporting Information Form - Calculation of Company Loss Costs Multiplier should be completed to show .000.

Duplicate copies of the reference filing adoption forms (with a postage-paid, self-addressed envelope) are to be submitted to:

Mr. Bob Mack, Deputy Commissioner  
Property and Casualty Division  
North Carolina Department of Insurance  
1201 Mail Service Center, 430 North Salisbury Street  
Raleigh, North Carolina 27699-1201

Pursuant to NCGS §58-36-100, a copy of each insurer's filing must also be sent to the North Carolina Rate Bureau.

The April 1, 2016 advisory loss costs, rating values and miscellaneous values are posted on our web site at [www.ncrb.org](http://www.ncrb.org). The filing proposed an average loss cost decrease of -10.2% from loss costs effective April 1, 2015. For the federal classifications, the approved overall advisory loss costs change is a decrease of -1.0% relative to the overall advisory loss costs level currently in effect.

To assist carriers in the mechanics of generating individual class code rates, a file identified as "April 2016 Loss Costs by Industry Group" may be found under "[Loss Costs and Assigned Risk Rates](#)" in the Carrier section of Workers Compensation on the Rate Bureau's web site. This file has each class code assigned to one of the following industry groups:

- |  |                                  |
|--|----------------------------------|
| 1. Manufacturing Classifications       | 5. Miscellaneous Classifications |
| 2. Contracting Classifications         | 6. "F" Classifications           |
| 3. Office and Clerical Classifications | 7. Per Capita Classifications    |
| 4. Goods and Services Classifications  |                                  |

If you would like to have the loss costs and residual market rates on a diskette or CD, please send an e-mail to Debbie Spence ([dms@ncrb.org](mailto:dms@ncrb.org)) and we will promptly forward it to you.

Sincerely,

Joanna Biliouris

Chief Operating Officer

JB:dms

Attachments

C-15-16

**ADVISORY LOSS COSTS - NOT RATES**

**NORTH CAROLINA**

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit III

Page S1

Effective April 1, 2016

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
0005	2.79	1.58	0.30	2002	1.91	1.13	0.33	2702	18.48	7.79	0.21
0008	2.25	1.21	0.27	2003	3.23	1.82	0.30	2705X*	68.78	34.19	0.24
0016	5.91	2.96	0.24	2014	3.60	1.80	0.24	2709	8.16	4.06	0.24
0034	3.51	1.98	0.30	2016	1.65	0.96	0.33	2710	8.16	3.84	0.21
0035	1.99	1.17	0.33	2021	1.65	0.89	0.27	2714	3.67	2.15	0.33
0036	3.77	2.14	0.30	2039	2.10	1.23	0.33	2727X	8.53	4.23	0.24
0037	3.34	1.80	0.27	2041	2.33	1.37	0.33	2731	3.21	1.60	0.24
0042	4.10	2.20	0.27	2065	2.76	1.56	0.30	2735	3.91	2.30	0.33
0050	5.37	3.02	0.30	2070	4.29	2.41	0.30	2759	4.77	2.80	0.33
0059D	0.34	0.07	0.21	2081	2.28	1.29	0.30	2790	1.45	0.85	0.33
0065D	0.08	0.02	0.24	2089	2.36	1.33	0.30	2791	-	1.82	0.33
0066D	0.08	0.02	0.24	2095	3.68	2.07	0.30	2797	5.06	2.86	0.30
0067D	0.08	0.02	0.24	2105	2.82	1.66	0.33	2799	3.70	1.96	0.27
0079	3.28	1.64	0.24	2110	1.91	1.12	0.33	2802	4.00	2.15	0.27
0083	3.16	1.78	0.30	2111	3.85	2.27	0.33	2812	-	1.85	0.30
0106	19.05	8.97	0.21	2112	2.70	1.59	0.33	2835	2.18	1.36	0.36
0113	4.34	2.45	0.30	2114	1.86	1.09	0.33	2836	1.62	1.02	0.36
0170	2.73	1.54	0.30	2121	1.31	0.74	0.30	2841	3.09	1.82	0.33
0251	3.69	2.08	0.30	2130	1.76	1.00	0.30	2881	3.22	2.02	0.36
0400	5.77	3.08	0.27	2131	2.48	1.40	0.30	2883	3.27	1.85	0.30
0401	9.32	4.39	0.21	2143	2.07	1.22	0.33	2913	1.93	1.21	0.36
0771N	0.40	-	-	2157	3.55	1.99	0.30	2915	1.95	1.04	0.27
0908P	122.00	68.42	0.30	2172	1.54	0.82	0.27	2916	3.00	1.41	0.21
0913P	559.00	314.42	0.30	2174	2.79	1.64	0.33	2923	1.85	1.08	0.33
0917	4.46	2.62	0.33	2211	6.84	3.41	0.24	2942	1.77	1.11	0.36
1005	5.83	2.43	0.21	2220	2.43	1.37	0.30	2960	4.17	2.35	0.30
1164	5.64	2.36	0.21	2286	1.18	0.69	0.33	3004	1.40	0.70	0.24
1165XD	3.03	1.40	0.21	2288	4.34	2.54	0.33	3018	2.94	1.46	0.24
1320	1.97	0.92	0.21	2300	2.06	1.28	0.36	3022	6.53	3.81	0.33
1322	8.18	3.82	0.21	2302	1.66	0.94	0.30	3027	2.10	1.04	0.24
1430	6.73	3.36	0.24	2305	2.38	1.28	0.27	3028	2.35	1.33	0.30
1438	3.13	1.46	0.21	2361	1.75	0.99	0.30	3030	4.86	2.43	0.24
1452	2.39	1.19	0.24	2362	1.34	0.75	0.30	3040	5.18	2.58	0.24
1463	7.39	3.48	0.21	2380	2.15	1.22	0.30	3041	4.74	2.66	0.30
1470	-	1.04	0.22	2386	1.35	0.79	0.33	3042	3.07	1.64	0.27
1472	2.24	1.04	0.22	2388	1.82	1.07	0.33	3064	4.52	2.56	0.30
1473	-	1.04	0.22	2402	2.40	1.20	0.24	3069	-	1.42	0.30
1474	-	1.04	0.22	2413	2.31	1.30	0.30	3076	2.51	1.42	0.30
1624D	2.81	1.30	0.21	2416	2.08	1.18	0.30	3081D	3.77	1.85	0.24
1642	2.20	1.09	0.24	2417	1.24	0.70	0.30	3082D	3.01	1.48	0.24
1654	24.99	12.32	0.24	2501	2.10	1.19	0.30	3085D	3.90	1.91	0.24
1655	2.75	1.36	0.24	2503	0.99	0.58	0.33	3110	4.34	2.45	0.30
1699	3.31	1.65	0.24	2534	1.46	0.86	0.33	3111	2.18	1.23	0.30
1701	4.38	2.18	0.24	2570	3.66	2.14	0.33	3113	1.64	0.92	0.30
1710	5.49	2.73	0.24	2585	3.17	1.85	0.33	3114	2.05	1.15	0.30
1741D	2.49	0.91	0.21	2586	2.07	1.16	0.30	3118	1.62	0.95	0.33
1747	1.74	0.86	0.24	2587	2.73	1.59	0.33	3119	0.76	0.48	0.36
1748	3.44	1.72	0.24	2589	1.84	1.04	0.30	3122	1.52	0.90	0.33
1803D	7.66	3.30	0.21	2600	2.35	1.37	0.33	3126	2.12	1.20	0.30
1852D	1.99	0.82	0.20	2623	5.47	2.94	0.27	3131	1.34	0.76	0.30
1853	1.18	0.63	0.27	2651	1.50	0.88	0.33	3132	2.39	1.35	0.30
1860	1.60	0.93	0.33	2660	2.00	1.18	0.33	3145	1.61	0.91	0.30
1924	1.97	1.16	0.33	2670	1.28	0.80	0.36	3146	1.97	1.11	0.30
1925	2.73	1.47	0.27	2683	1.03	0.61	0.33	3169	2.88	1.62	0.30
2001	-	1.82	0.30	2688	2.85	1.67	0.33	3175	3.39	1.92	0.30

\* Refer to the Footnotes Page for additional information on this class code.

**ADVISORY LOSS COSTS - NOT RATES**

**NORTH CAROLINA**

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit III

Page S2

Effective April 1, 2016

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
3179	1.38	0.81	0.33	3830	1.00	0.54	0.27	4470	1.77	1.00	0.30
3180	1.70	1.00	0.33	3851	3.24	1.90	0.33	4484	2.02	1.14	0.30
3188	1.10	0.64	0.33	3865	1.72	1.09	0.36	4493	1.96	1.10	0.30
3220	1.51	0.85	0.30	3881	3.66	2.06	0.30	4511	0.39	0.21	0.27
3223	2.69	1.68	0.36	4000	4.12	1.93	0.21	4557	2.30	1.35	0.33
3224	2.92	1.69	0.33	4021	3.86	1.93	0.24	4558	1.12	0.63	0.30
3227	2.76	1.61	0.33	4024D	2.52	1.24	0.24	4561	-	0.83	0.27
3240	2.27	1.34	0.33	4034	4.82	2.41	0.24	4568	1.84	0.92	0.24
3241	2.49	1.40	0.30	4036	1.94	0.96	0.24	4581	0.64	0.30	0.21
3255	2.09	1.30	0.36	4038	2.62	1.63	0.36	4583	5.08	2.40	0.21
3257	2.82	1.59	0.30	4053	1.54	0.87	0.30	4611	0.53	0.31	0.33
3270	2.35	1.33	0.30	4061	2.20	1.28	0.33	4635	2.51	1.06	0.21
3300	2.73	1.55	0.30	4062	2.05	1.15	0.30	4653	1.77	1.04	0.33
3303	3.16	1.85	0.33	4101	2.55	1.37	0.27	4665	5.62	2.80	0.24
3307	2.88	1.62	0.30	4109	0.40	0.24	0.33	4670	6.23	3.13	0.24
3315	4.08	2.39	0.33	4110	0.89	0.50	0.30	4683	3.61	2.03	0.30
3334	3.50	1.96	0.30	4111	1.25	0.73	0.33	4686	1.87	0.93	0.24
3336	2.38	1.18	0.24	4112	-	0.50	0.30	4692	0.49	0.29	0.33
3365	5.61	2.79	0.24	4113	1.69	0.94	0.29	4693	0.84	0.47	0.30
3372	2.99	1.60	0.27	4114	2.96	1.66	0.30	4703	1.70	0.95	0.30
3373	3.75	2.11	0.30	4130	3.17	1.79	0.30	4717	1.87	1.17	0.36
3383	0.98	0.57	0.33	4131	3.86	2.27	0.33	4720	1.40	0.79	0.30
3385	0.74	0.43	0.33	4133	1.60	0.94	0.33	4740	2.44	1.21	0.24
3400	2.55	1.37	0.27	4149	0.52	0.33	0.36	4741	1.96	1.10	0.30
3507	1.95	1.10	0.30	4150	-	0.33	0.36	4751	2.61	1.31	0.24
3515	1.68	0.95	0.30	4206	2.18	1.22	0.30	4771N	2.26	0.96	0.21
3516	-	0.95	0.30	4207	1.46	0.72	0.24	4777	3.79	1.59	0.21
3548	1.15	0.65	0.30	4239	2.65	1.32	0.24	4825	0.96	0.48	0.24
3559	1.93	1.09	0.30	4240	1.71	1.00	0.33	4828	1.43	0.76	0.27
3574	0.60	0.35	0.33	4243	1.71	0.96	0.30	4829	1.25	0.59	0.21
3581	0.88	0.52	0.33	4244	1.71	0.96	0.30	4902	2.92	1.70	0.33
3612	1.94	1.04	0.27	4250	1.63	0.92	0.30	4923	0.81	0.45	0.30
3620	4.63	2.32	0.24	4251	1.85	1.04	0.30	5020	6.40	3.19	0.24
3629	1.47	0.86	0.33	4263	3.37	1.92	0.30	5022	6.40	3.00	0.21
3632	2.54	1.36	0.27	4273	2.36	1.33	0.30	5037	15.60	6.54	0.21
3634	1.40	0.82	0.33	4279	1.85	1.04	0.30	5040	6.95	2.92	0.21
3635	2.21	1.24	0.30	4282	2.01	1.17	0.33	5057	5.41	2.28	0.21
3638	1.21	0.71	0.33	4283	1.53	0.86	0.30	5059	18.58	7.87	0.20
3642	1.00	0.56	0.30	4299	1.48	0.87	0.33	5069	15.61	6.51	0.21
3643	1.41	0.80	0.30	4301	-	1.04	0.30	5102	4.98	2.34	0.21
3647	1.47	0.79	0.27	4304	3.81	2.05	0.27	5146	4.91	2.44	0.24
3648	1.11	0.65	0.33	4307	1.49	0.93	0.36	5160	2.65	1.24	0.21
3681	0.72	0.42	0.33	4351	1.18	0.66	0.29	5183	3.88	1.93	0.24
3685	0.97	0.57	0.33	4352	1.29	0.76	0.33	5188	5.17	2.57	0.24
3719	1.19	0.50	0.21	4360	1.24	0.72	0.33	5190	4.17	2.07	0.24
3724	2.85	1.34	0.21	4361	0.99	0.58	0.33	5191	0.66	0.37	0.30
3726	4.69	1.97	0.21	4362	-	0.72	0.33	5192	3.07	1.73	0.30
3803	1.96	1.10	0.30	4410	2.89	1.63	0.30	5213	6.39	3.00	0.21
3807	1.63	0.96	0.33	4417	-	1.63	0.30	5215	4.00	2.14	0.27
3808	3.42	1.82	0.27	4420	6.85	3.20	0.21	5221	4.41	2.19	0.24
3821	5.76	3.10	0.27	4431	1.15	0.72	0.36	5222	8.52	3.99	0.21
3822X	3.78	2.02	0.27	4432	0.99	0.62	0.36	5223	4.57	2.28	0.24
3824X	3.11	1.67	0.27	4439	1.56	0.83	0.27	5348	4.13	2.05	0.24
3826	0.60	0.33	0.29	4452	2.44	1.38	0.30	5402	4.46	2.62	0.33
3827	1.51	0.81	0.27	4459	2.22	1.25	0.30	5403	5.81	2.73	0.21

\* Refer to the Footnotes Page for additional information on this class code.

**ADVISORY LOSS COSTS - NOT RATES**

**NORTH CAROLINA**

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit III

Page S3

Effective April 1, 2016

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
5437	5.09	2.53	0.24	6826F	3.99	1.60	0.23	7453N	0.41	-	-
5443	3.69	2.08	0.30	6834	2.56	1.37	0.27	7502	2.41	1.20	0.24
5445	8.91	4.19	0.21	6836	3.99	1.99	0.24	7515	1.08	0.46	0.21
5462	6.09	3.03	0.24	6843F	9.11	3.20	0.19	7520	2.88	1.63	0.30
5472	3.97	1.66	0.21	6845F	8.23	2.89	0.19	7529X	17.31	7.29	0.21
5473	10.67	4.51	0.21	6854	3.90	1.64	0.21	7538	8.23	3.48	0.21
5474	6.40	3.01	0.21	6872F	8.85	3.09	0.19	7539	2.12	0.99	0.21
5478	3.23	1.60	0.24	6874F	14.33	5.01	0.19	7540	4.96	2.10	0.21
5479	6.14	3.29	0.27	6882	4.22	1.77	0.21	7580	2.84	1.41	0.24
5480	5.11	2.39	0.21	6884	5.48	2.28	0.21	7590	3.69	1.98	0.27
5491	2.73	1.28	0.21	7016M	3.56	1.49	0.21	7600	4.93	2.45	0.24
5506	5.93	2.51	0.21	7024M	3.95	1.65	0.21	7601	-	2.45	0.24
5507	4.23	1.98	0.21	7038M	4.31	1.83	0.20	7605	2.08	1.04	0.24
5508	11.37	5.62	0.24	7046M	5.87	2.46	0.21	7610	0.54	0.29	0.27
5535	6.77	3.38	0.24	7047M	7.01	2.76	0.21	7611	-	2.45	0.24
5537	4.95	2.46	0.24	7050M	8.50	3.40	0.20	7612	-	2.45	0.24
5551	15.20	6.43	0.20	7090M	4.79	2.03	0.20	7613	-	2.45	0.24
5606	1.32	0.62	0.21	7098M	6.52	2.74	0.21	7705	7.43	3.98	0.27
5610	6.11	3.45	0.30	7099M	11.57	4.59	0.21	7710	4.82	2.27	0.21
5645	12.91	6.08	0.21	7133	4.18	1.97	0.21	7711	4.82	2.27	0.21
5651	-	6.08	0.21	7151M	5.08	2.39	0.21	7720X	1.95	0.97	0.24
5703	13.59	6.74	0.24	7152M	10.02	4.45	0.21	7723X	3.04	1.29	0.20
5705	19.63	9.82	0.24	7153M	5.64	2.65	0.21	7855	3.20	1.59	0.24
5951	0.28	0.17	0.33	7222X	6.87	3.40	0.24	8001	2.16	1.27	0.33
6003	9.07	4.50	0.24	7228X	6.84	3.39	0.24	8002	1.61	0.92	0.30
6005	5.15	2.53	0.24	7229X	10.52	4.91	0.21	8006	2.97	1.68	0.30
6017	4.40	2.17	0.24	7230X	7.94	4.25	0.27	8008	1.19	0.70	0.33
6018	3.08	1.51	0.24	7231	7.06	3.77	0.27	8010	1.25	0.73	0.33
6045	4.12	2.04	0.24	7232X	8.88	4.14	0.21	8013	0.35	0.20	0.30
6204	9.39	4.42	0.21	7309F	12.56	4.41	0.19	8015	0.76	0.43	0.30
6206	3.55	1.49	0.21	7313F	2.57	0.90	0.19	8017	1.47	0.87	0.33
6213	2.20	1.03	0.21	7317F	9.75	3.35	0.19	8018	1.94	1.13	0.33
6214	2.69	1.13	0.21	7323	-	1.38	0.20	8021	2.34	1.32	0.30
6216	6.27	2.63	0.21	7327F	12.80	4.53	0.19	8031	2.99	1.70	0.30
6217	5.46	2.56	0.21	7333M	3.81	1.59	0.21	8032	1.79	1.05	0.33
6229	3.80	1.78	0.21	7335M	4.23	1.76	0.21	8033	1.54	0.87	0.30
6233	2.62	1.22	0.21	7337M	7.51	2.95	0.21	8037	1.79	1.05	0.33
6235	5.94	2.49	0.21	7350F	9.67	3.72	0.20	8039	1.94	1.14	0.33
6236	10.59	5.26	0.24	7360	4.29	2.13	0.24	8044	3.18	1.70	0.27
6237	1.73	0.86	0.24	7370	6.14	3.45	0.30	8045	0.48	0.28	0.33
6251D	6.36	2.94	0.21	7380	4.59	2.45	0.27	8046	2.43	1.38	0.30
6252D	4.14	1.73	0.21	7382	4.55	2.56	0.30	8047	0.87	0.51	0.33
6260	5.93	2.48	0.21	7390	4.59	2.58	0.30	8058	2.55	1.44	0.30
6306	4.83	2.26	0.21	7394M	3.82	1.59	0.21	8072	0.67	0.39	0.33
6319	5.39	2.53	0.21	7395M	4.24	1.77	0.21	8102	1.27	0.74	0.33
6325	4.95	2.32	0.21	7398M	7.53	2.96	0.21	8103	1.95	1.05	0.27
6400	5.86	3.14	0.27	7402	0.13	0.08	0.30	8105	1.98	1.16	0.33
6503	1.54	0.90	0.33	7403	4.59	2.29	0.24	8106	3.44	1.71	0.24
6504	2.06	1.21	0.33	7405N	1.95	0.97	0.24	8107	3.56	1.77	0.24
6702M*	3.89	1.93	0.24	7420	11.91	4.93	0.21	8111	1.92	1.08	0.30
6703M*	7.67	3.59	0.24	7421	0.88	0.41	0.21	8116	2.45	1.39	0.30
6704M*	4.32	2.14	0.24	7422	2.01	0.85	0.21	8203	6.28	3.55	0.30
6801F	2.60	1.05	0.23	7425	2.65	1.10	0.21	8204	3.03	1.51	0.24
6811	6.55	3.25	0.24	7431N	1.24	0.52	0.21	8209	2.94	1.66	0.30
6824F	7.88	3.05	0.20	7445N	0.65	-	-	8215	3.17	1.58	0.24

\* Refer to the Footnotes Page for additional information on this class code.

**ADVISORY LOSS COSTS - NOT RATES**

**NORTH CAROLINA**

Advisory loss costs exclude all expense provisions except loss adjustment expense.

Exhibit III

Page S4

Effective April 1, 2016

CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO	CLASS CODE	LOSS COST	ELR	D RATIO
8227	4.32	1.82	0.21	8842X	2.01	1.14	0.30	9620	0.95	0.51	0.27
8232	4.15	2.07	0.24	8848X	2.49	1.41	0.30				
8233	2.63	1.30	0.24	8849X	2.70	1.52	0.30				
8235	4.15	2.35	0.30	8855	0.12	0.07	0.30				
8236X	4.89	2.42	0.24	8856	0.18	0.10	0.30				
8263	5.38	2.91	0.27	8864X	1.26	0.71	0.30				
8264	4.19	2.09	0.24	8868	0.46	0.27	0.33				
8265	5.76	2.71	0.21	8869	1.10	0.65	0.33				
8279	7.15	3.40	0.20	8871	0.10	0.06	0.33				
8288	6.85	3.43	0.24	8901	0.19	0.10	0.27				
8291X	4.18	2.25	0.27	9012	1.01	0.54	0.27				
8292X	3.14	1.77	0.30	9014	2.60	1.47	0.30				
8293X	10.77	5.36	0.24	9015	2.96	1.67	0.30				
8304	4.04	2.01	0.24	9016	2.64	1.50	0.30				
8350	7.15	3.36	0.21	9019	2.09	1.04	0.24				
8380	2.36	1.27	0.27	9033	1.73	0.98	0.30				
8381	1.72	0.93	0.27	9040	2.93	1.72	0.33				
8385	2.33	1.16	0.24	9044	1.43	0.84	0.33				
8392	2.26	1.29	0.30	9052	1.90	1.12	0.33				
8393	1.53	0.86	0.30	9058	1.31	0.82	0.36				
8500	4.80	2.39	0.24	9059	-	0.65	0.33				
8601	0.48	0.26	0.27	9060	1.11	0.65	0.33				
8602	0.93	0.50	0.27	9061	0.98	0.62	0.36				
8603	0.08	0.04	0.30	9062	1.24	0.77	0.36				
8606	2.82	1.32	0.21	9063	0.92	0.55	0.34				
8709F	4.00	1.41	0.19	9077F	1.79	0.79	0.29				
8710	-	0.98	0.24	9082	1.15	0.72	0.36				
8719	2.85	1.20	0.21	9083	1.19	0.74	0.36				
8720	1.68	0.84	0.24	9084	1.27	0.72	0.30				
8721	0.27	0.13	0.24	9089	1.46	0.87	0.34				
8723	0.16	0.09	0.30	9093	1.23	0.72	0.34				
8725	2.14	1.07	0.24	9101	2.82	1.66	0.33				
8726F	2.51	1.01	0.23	9102	2.70	1.53	0.30				
8734M	0.51	0.26	0.24	9154	1.70	0.96	0.30				
8737M	0.46	0.23	0.24	9156	2.12	1.14	0.27				
8738M	0.91	0.43	0.24	9170	5.77	2.44	0.20				
8742	0.38	0.19	0.24	9178	6.21	3.92	0.36				
8745	4.53	2.45	0.27	9179	10.10	5.93	0.33				
8748	0.62	0.33	0.27	9180	4.03	2.03	0.24				
8755	0.41	0.21	0.24	9182	1.84	1.05	0.30				
8799	0.48	0.27	0.30	9186	12.02	5.69	0.21				
8800	1.20	0.75	0.36	9220	4.37	2.34	0.27				
8803	0.08	0.04	0.24	9402	4.68	2.32	0.24				
8805M	0.18	0.10	0.30	9403	7.42	3.48	0.21				
8810	0.13	0.08	0.30	9410	2.44	1.38	0.30				
8814M	0.16	0.09	0.30	9501	3.10	1.66	0.27				
8815M	0.31	0.18	0.30	9505	3.24	1.74	0.27				
8820	0.13	0.07	0.27	9516	5.08	2.53	0.24				
8824	2.84	1.67	0.33	9519	3.53	1.76	0.24				
8825	1.42	0.89	0.36	9521	4.31	2.15	0.24				
8826	2.73	1.54	0.30	9522	1.60	0.90	0.30				
8831	1.21	0.69	0.30	9534	6.58	3.07	0.21				
8832	0.34	0.19	0.30	9554	12.94	6.10	0.21				
8833	1.33	0.75	0.30	9586	0.51	0.32	0.36				
8835	2.33	1.32	0.30	9600	1.94	1.13	0.33				

\* Refer to the Footnotes Page for additional information on this class code.

Effective April 1, 2016

FOOTNOTES

D Advisory loss cost for classification already includes the specific disease loading shown in the table below. See **Basic Manual** Rule 3-A-7.

Disease			Disease			Disease		
Code No.	Loading	Symbol	Code No.	Loading	Symbol	Code No.	Loading	Symbol
0059D	0.34	S	1624D	0.02	S	3082D	0.05	S
0065D	0.08	S	1741D	0.34	S	3085D	0.07	S
0066D	0.08	S	1803D	0.64	S	4024D	0.02	S
0067D	0.08	S	1852D	0.06	Asb	6251D	0.04	S
1165XD	0.03	S	3081D	0.07	S	6252D	0.03	S

Asb=Asbestos, S=Silica

F Advisory loss cost provides for coverage under the United States Longshore and Harbor Workers Compensation Act and its extensions. Loss cost contains a provision for USL&HW Assessment.

M Risks are subject to Admiralty Law or Federal Employers Liability Act (FELA). However, the published loss cost is for risks that voluntarily purchase standard workers compensation and employers liability coverage. A provision for the USL&HW Assessment is included for those classifications under Program II USL Act.

N This code is part of a ratable / non-ratable group shown below. The statistical non-ratable code and corresponding advisory loss cost are applied in addition to the basic classification when determining premium.

Class Code	Non-Ratable Element Code
4771	0771
7405	7445
7431	7453

P Classification is computed on a per capita basis.

X Refer to special classification phraseology in these pages which is applicable in this state.

**\* Class Codes with Specific Footnotes**

- 2705 An upset payroll of \$4.00 per cord shall be used for premium computation purposes in all instances.
- 6702 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection code loss cost and elr each x 1.215.
- 6703 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost x 2.396 and elr x 2.26.
- 6704 Loss cost and rating values only appropriate for laying or relaying of tracks or maintenance of way - no work on elevated railroads. Otherwise, assign appropriate construction or erection class loss cost and elr each x 1.35.



Effective April 1, 2016

ADVISORY MISCELLANEOUS VALUES

**Advisory Loss Elimination Ratios** - The following percentages represent the portion of total loss eliminated per claim and are applicable by hazard group. They do not include a safety factor.

Advisory Loss Elimination Ratios							
Deductible Amount	HAZARD GROUP						
	A	B	C	D	E	F	G
\$100	1.1%	0.8%	0.7%	0.5%	0.3%	0.2%	0.2%
\$200	2.0%	1.5%	1.2%	0.9%	0.6%	0.4%	0.4%
\$300	2.7%	2.1%	1.8%	1.3%	0.9%	0.6%	0.5%
\$400	3.4%	2.7%	2.2%	1.6%	1.1%	0.8%	0.7%
\$500	4.0%	3.1%	2.6%	1.9%	1.4%	0.9%	0.8%
\$1,000	6.3%	4.9%	4.2%	3.1%	2.3%	1.6%	1.4%
\$1,500	8.0%	6.3%	5.4%	4.1%	3.1%	2.2%	1.9%
\$2,000	9.4%	7.4%	6.4%	4.9%	3.7%	2.7%	2.3%
\$2,500	10.6%	8.3%	7.2%	5.6%	4.3%	3.2%	2.7%
\$5,000	15.2%	12.0%	10.7%	8.5%	6.8%	5.3%	4.5%

**Basis of premium** applicable in accordance with *Basic Manual* footnote instructions for Code 7370 --"Taxicab Co.":

Employee operated vehicle.....	\$65,200
Leased or rented vehicle.....	\$43,500

**Catastrophe (other than Certified Acts of Terrorism)** - (Advisory Loss Cost)..... \$0.01

**Maximum Weekly Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1 -- "Executive Officers" and the *Basic Manual* footnote instructions for Code 9178 -- "Athletic Sports or Park: Non-Contact Sports," and Code 9179 -- "Athletic Sports or Park: Contact Sports"..... \$1,700

**Minimum Weekly Payroll** applicable in accordance with *Basic Manual* Rule 2-E-1 -- "Executive Officers" ..... \$850

**Premium Determination for Partners and Sole Proprietors** in accordance with *Basic Manual* Rule 2-E-3 (Annual Payroll)..... \$43,500

**Terrorism** - (Advisory Loss Cost) ..... \$0.01

**United States Longshore and Harbor Workers' Compensation Coverage Percentage** applicable only in connection with *Basic Manual* Rule 3-A-4..... 92%

(Multiply a Non-F classification loss cost by a factor of 1.92 to adjust for differences in benefits and loss-based expenses. This factor is the product of the adjustment for differences in benefits (1.82) and the adjustment for differences in loss-based expenses (1.053).)

**Experience Rating Eligibility**

A risk is eligible for experience rating when the payrolls or other exposures developed in the last year or last two years of the experience period produced a premium of at least \$10,000. If more than two years, an average annual premium of at least \$5,000 is required. These amounts are applicable for ratings effective date April 1, 2016 and subsequent. The *Experience Rating Plan Manual* should be referenced for the latest approved eligibility amounts by state.

Effective April 1, 2016

**TABLE OF WEIGHTING VALUES  
APPLICABLE TO ALL POLICIES**

*Experience Rating Program - ERA*

Expected Losses			Weighting Values	Expected Losses			Weighting Values
0	--	2,523	0.04	1,422,973	--	1,501,463	0.44
2,524	--	10,201	0.05	1,501,464	--	1,584,498	0.45
10,202	--	18,042	0.06	1,584,499	--	1,672,484	0.46
18,043	--	26,054	0.07	1,672,485	--	1,765,880	0.47
26,055	--	34,240	0.08	1,765,881	--	1,865,201	0.48
34,241	--	57,270	0.09	1,865,202	--	1,971,029	0.49
57,271	--	85,248	0.10	1,971,030	--	2,084,026	0.50
85,249	--	110,135	0.11	2,084,027	--	2,204,949	0.51
110,136	--	134,366	0.12	2,204,950	--	2,334,662	0.52
134,367	--	158,601	0.13	2,334,663	--	2,474,160	0.53
158,602	--	183,134	0.14	2,474,161	--	2,624,594	0.54
183,135	--	208,132	0.15	2,624,595	--	2,787,304	0.55
208,133	--	233,707	0.16	2,787,305	--	2,963,858	0.56
233,708	--	259,945	0.17	2,963,859	--	3,156,101	0.57
259,946	--	286,915	0.18	3,156,102	--	3,366,223	0.58
286,916	--	314,683	0.19	3,366,224	--	3,596,841	0.59
314,684	--	343,308	0.20	3,596,842	--	3,851,108	0.60
343,309	--	372,849	0.21	3,851,109	--	4,132,859	0.61
372,850	--	403,365	0.22	4,132,860	--	4,446,806	0.62
403,366	--	434,917	0.23	4,446,807	--	4,798,804	0.63
434,918	--	467,568	0.24	4,798,805	--	5,196,216	0.64
467,569	--	501,384	0.25	5,196,217	--	5,648,439	0.65
501,385	--	536,436	0.26	5,648,440	--	6,167,655	0.66
536,437	--	572,798	0.27	6,167,656	--	6,769,940	0.67
572,799	--	610,550	0.28	6,769,941	--	7,476,966	0.68
610,551	--	649,778	0.29	7,476,967	--	8,318,659	0.69
649,779	--	690,572	0.30	8,318,660	--	9,337,545	0.70
690,573	--	733,032	0.31	9,337,546	--	10,596,164	0.71
733,033	--	777,266	0.32	10,596,165	--	12,190,409	0.72
777,267	--	823,388	0.33	12,190,410	--	14,275,184	0.73
823,389	--	871,526	0.34	14,275,185	--	17,118,052	0.74
871,527	--	921,816	0.35	17,118,053	--	21,224,408	0.75
921,817	--	974,408	0.36	21,224,409	--	27,677,244	0.76
974,409	--	1,029,465	0.37	27,677,245	--	39,292,334	0.77
1,029,466	--	1,087,166	0.38	39,292,335	--	66,394,187	0.78
1,087,167	--	1,147,708	0.39	66,394,188	--	201,903,391	0.79
1,147,709	--	1,211,308	0.40	201,903,392	AND OVER	0.80	
1,211,309	--	1,278,204	0.41				
1,278,205	--	1,348,661	0.42				
1,348,662	--	1,422,972	0.43				

(a) G	12.05
(b) State Per Claim Accident Limitation	\$301,500
(c) State Multiple Claim Accident Limitation	\$603,000
(d) USL&HW Per Claim Accident Limitation	\$469,500
(e) USL&HW Multiple Claim Accident Limitation	\$939,000
(f) Employers Liability Accident Limitation	\$55,000
(g) Primary/Excess Loss Split Point	\$16,000
(h) USL&HW Act -- Expected Loss Factor -- Non-F Classes	1.80
<i>(Multiply a Non-F classification ELR by the USL&amp;HW Act - Expected Loss Factor of 1.80.)</i>	

Effective April 1, 2016  
**TABLE OF BALLAST VALUES**  
**APPLICABLE TO ALL POLICIES**  
*Experience Rating Plan - ERA*

Expected Losses	Ballast Values	Expected Losses	Ballast Values	Expected Losses	Ballast Values
0 -- 64,815	30,125	2,079,842 -- 2,140,057	241,000	4,187,981 -- 4,248,221	451,875
64,816 -- 111,552	36,150	2,140,058 -- 2,200,275	247,025	4,248,222 -- 4,308,463	457,900
111,553 -- 165,254	42,175	2,200,276 -- 2,260,494	253,050	4,308,464 -- 4,368,705	463,925
165,255 -- 221,906	48,200	2,260,495 -- 2,320,715	259,075	4,368,706 -- 4,428,947	469,950
221,907 -- 279,936	54,225	2,320,716 -- 2,380,938	265,100	4,428,948 -- 4,489,189	475,975
279,937 -- 338,695	60,250	2,380,939 -- 2,441,162	271,125	4,489,190 -- 4,549,432	482,000
338,696 -- 397,878	66,275	2,441,163 -- 2,501,387	277,150	4,549,433 -- 4,609,675	488,025
397,879 -- 457,330	72,300	2,501,388 -- 2,561,613	283,175	4,609,676 -- 4,669,918	494,050
457,331 -- 516,961	78,325	2,561,614 -- 2,621,841	289,200	4,669,919 -- 4,730,161	500,075
516,962 -- 576,717	84,350	2,621,842 -- 2,682,069	295,225	4,730,162 -- 4,790,404	506,100
576,718 -- 636,564	90,375	2,682,070 -- 2,742,298	301,250	4,790,405 -- 4,850,647	512,125
636,565 -- 696,479	96,400	2,742,299 -- 2,802,528	307,275	4,850,648 -- 4,910,891	518,150
696,480 -- 756,447	102,425	2,802,529 -- 2,862,760	313,300	4,910,892 -- 4,971,135	524,175
756,448 -- 816,455	108,450	2,862,761 -- 2,922,991	319,325	4,971,136 -- 5,031,379	530,200
816,456 -- 876,496	114,475	2,922,992 -- 2,983,224	325,350	5,031,380 -- 5,091,623	536,225
876,497 -- 936,563	120,500	2,983,225 -- 3,043,457	331,375	5,091,624 -- 5,151,867	542,250
936,564 -- 996,653	126,525	3,043,458 -- 3,103,691	337,400	5,151,868 -- 5,212,111	548,275
996,654 -- 1,056,760	132,550	3,103,692 -- 3,163,925	343,425	5,212,112 -- 5,272,356	554,300
1,056,761 -- 1,116,883	138,575	3,163,926 -- 3,224,161	349,450	5,272,357 -- 5,332,600	560,325
1,116,884 -- 1,177,018	144,600	3,224,162 -- 3,284,396	355,475	5,332,601 -- 5,392,845	566,350
1,177,019 -- 1,237,165	150,625	3,284,397 -- 3,344,632	361,500	5,392,846 -- 5,453,090	572,375
1,237,166 -- 1,297,321	156,650	3,344,633 -- 3,404,869	367,525	5,453,091 -- 5,513,335	578,400
1,297,322 -- 1,357,485	162,675	3,404,870 -- 3,465,106	373,550	5,513,336 -- 5,573,580	584,425
1,357,486 -- 1,417,656	168,700	3,465,107 -- 3,525,344	379,575	5,573,581 -- 5,633,825	590,450
1,417,657 -- 1,477,834	174,725	3,525,345 -- 3,585,582	385,600	5,633,826 -- 5,694,070	596,475
1,477,835 -- 1,538,018	180,750	3,585,583 -- 3,645,820	391,625	5,694,071 -- 5,753,875	602,500
1,538,019 -- 1,598,206	186,775	3,645,821 -- 3,706,059	397,650		
1,598,207 -- 1,658,399	192,800	3,706,060 -- 3,766,298	403,675		
1,658,400 -- 1,718,596	198,825	3,766,299 -- 3,826,537	409,700		
1,718,597 -- 1,778,796	204,850	3,826,538 -- 3,886,777	415,725		
1,778,797 -- 1,839,000	210,875	3,886,778 -- 3,947,017	421,750		
1,839,001 -- 1,899,207	216,900	3,947,018 -- 4,007,257	427,775		
1,899,208 -- 1,959,416	222,925	4,007,258 -- 4,067,498	433,800		
1,959,417 -- 2,019,627	228,950	4,067,499 -- 4,127,739	439,825		
2,019,628 -- 2,079,841	234,975	4,127,740 -- 4,187,980	445,850		

For Expected Losses greater than \$5,753,875, the Ballast Value can be calculated using the following formula (rounded to the nearest 1):

$$\text{Ballast} = (0.10)(\text{Expected Losses}) + 2500(\text{Expected Losses})(12.05) / (\text{Expected Losses} + (700)(12.05))$$

G = 12.05

**RETROSPECTIVE RATING PLAN MANUAL  
STATE SPECIAL RATING VALUES**

**NORTH CAROLINA  
RR 1  
Exhibit III**

*Effective April 1, 2016*

1. **Hazard Group Differentials**

A	B	C	D	E	F	G
1.27	1.00	0.91	0.76	0.63	0.53	0.43

2. **2013 Table of Expected Loss Ranges**

Effective January 1, 2013

3.

**Excess Loss Pure Premium Factors**  
(Applicable to New and Renewal Policies)

<b>Per Accident Limitation</b>	<b>Hazard Groups</b>						
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
\$10,000	0.670	0.705	0.719	0.743	0.762	0.780	0.791
\$15,000	0.626	0.666	0.683	0.711	0.734	0.755	0.770
\$20,000	0.589	0.634	0.652	0.683	0.709	0.732	0.751
\$25,000	0.558	0.606	0.625	0.658	0.686	0.712	0.733
\$30,000	0.530	0.580	0.601	0.635	0.666	0.693	0.717
\$35,000	0.506	0.558	0.580	0.615	0.648	0.676	0.702
\$40,000	0.485	0.537	0.560	0.597	0.631	0.660	0.688
\$50,000	0.448	0.502	0.526	0.564	0.600	0.632	0.663
\$75,000	0.379	0.435	0.460	0.500	0.540	0.574	0.612
\$100,000	0.332	0.387	0.413	0.452	0.494	0.529	0.571
\$125,000	0.297	0.350	0.377	0.415	0.458	0.493	0.538
\$150,000	0.269	0.322	0.348	0.385	0.428	0.463	0.511
\$175,000	0.247	0.298	0.324	0.361	0.404	0.437	0.487
\$200,000	0.229	0.278	0.305	0.340	0.383	0.416	0.466
\$225,000	0.213	0.262	0.288	0.322	0.364	0.397	0.448
\$250,000	0.200	0.247	0.273	0.306	0.348	0.380	0.432
\$275,000	0.188	0.234	0.260	0.292	0.334	0.365	0.418
\$300,000	0.178	0.223	0.249	0.280	0.321	0.351	0.405
\$325,000	0.169	0.213	0.238	0.269	0.310	0.339	0.393
\$350,000	0.161	0.204	0.229	0.259	0.300	0.328	0.382
\$375,000	0.154	0.196	0.221	0.249	0.290	0.318	0.372
\$400,000	0.147	0.189	0.213	0.241	0.281	0.309	0.363
\$425,000	0.141	0.182	0.206	0.233	0.273	0.300	0.354
\$450,000	0.135	0.175	0.199	0.226	0.266	0.292	0.346
\$475,000	0.130	0.170	0.193	0.220	0.259	0.285	0.339
\$500,000	0.126	0.164	0.188	0.214	0.252	0.278	0.332
\$600,000	0.110	0.146	0.169	0.193	0.230	0.254	0.308
\$700,000	0.097	0.132	0.154	0.176	0.213	0.235	0.288
\$800,000	0.088	0.120	0.141	0.163	0.198	0.219	0.272
\$900,000	0.080	0.111	0.131	0.151	0.186	0.206	0.258
\$1,000,000	0.073	0.102	0.122	0.142	0.175	0.195	0.246
\$2,000,000	0.039	0.059	0.074	0.088	0.114	0.130	0.175
\$3,000,000	0.026	0.041	0.053	0.064	0.086	0.098	0.138
\$4,000,000	0.019	0.031	0.041	0.050	0.068	0.079	0.114
\$5,000,000	0.014	0.025	0.033	0.040	0.056	0.066	0.097
\$6,000,000	0.011	0.020	0.027	0.033	0.047	0.056	0.083
\$7,000,000	0.009	0.017	0.023	0.028	0.041	0.048	0.073
\$8,000,000	0.008	0.014	0.019	0.024	0.035	0.042	0.064
\$9,000,000	0.007	0.012	0.017	0.021	0.031	0.037	0.057
\$10,000,000	0.006	0.011	0.015	0.019	0.027	0.033	0.051

Effective April 1, 2016

**Excess Loss and Allocated  
Expense Pure Premium Factors**  
(Applicable to New and Renewal Policies)

Per Accident Limitation	Hazard Groups						
	A	B	C	D	E	F	G
\$10,000	0.746	0.783	0.798	0.823	0.843	0.861	0.873
\$15,000	0.700	0.743	0.760	0.789	0.813	0.835	0.851
\$20,000	0.661	0.708	0.728	0.760	0.787	0.812	0.831
\$25,000	0.628	0.678	0.699	0.734	0.764	0.791	0.812
\$30,000	0.599	0.652	0.673	0.710	0.742	0.771	0.795
\$35,000	0.573	0.628	0.650	0.688	0.723	0.753	0.780
\$40,000	0.549	0.606	0.629	0.669	0.704	0.736	0.765
\$50,000	0.510	0.568	0.593	0.634	0.672	0.706	0.738
\$75,000	0.436	0.496	0.522	0.565	0.607	0.644	0.683
\$100,000	0.384	0.444	0.471	0.513	0.558	0.595	0.640
\$125,000	0.346	0.404	0.432	0.473	0.519	0.557	0.604
\$150,000	0.316	0.372	0.401	0.441	0.487	0.524	0.574
\$175,000	0.291	0.347	0.375	0.414	0.460	0.497	0.549
\$200,000	0.271	0.325	0.353	0.391	0.437	0.473	0.526
\$225,000	0.254	0.306	0.334	0.371	0.417	0.453	0.507
\$250,000	0.239	0.290	0.318	0.354	0.400	0.434	0.489
\$275,000	0.226	0.276	0.304	0.339	0.384	0.418	0.473
\$300,000	0.214	0.264	0.291	0.325	0.370	0.403	0.459
\$325,000	0.204	0.252	0.279	0.313	0.357	0.390	0.446
\$350,000	0.195	0.242	0.269	0.302	0.346	0.378	0.434
\$375,000	0.186	0.233	0.260	0.292	0.335	0.367	0.423
\$400,000	0.179	0.225	0.251	0.282	0.326	0.356	0.413
\$425,000	0.172	0.217	0.243	0.274	0.317	0.347	0.404
\$450,000	0.165	0.210	0.236	0.266	0.308	0.338	0.395
\$475,000	0.159	0.203	0.229	0.258	0.301	0.330	0.387
\$500,000	0.154	0.197	0.222	0.251	0.293	0.322	0.379
\$600,000	0.135	0.176	0.200	0.228	0.269	0.295	0.352
\$700,000	0.121	0.159	0.183	0.209	0.249	0.274	0.331
\$800,000	0.109	0.146	0.169	0.193	0.232	0.256	0.312
\$900,000	0.100	0.135	0.157	0.180	0.218	0.241	0.297
\$1,000,000	0.091	0.125	0.147	0.169	0.206	0.228	0.283
\$2,000,000	0.050	0.073	0.089	0.106	0.135	0.153	0.202
\$3,000,000	0.033	0.051	0.064	0.077	0.101	0.116	0.159
\$4,000,000	0.024	0.039	0.049	0.060	0.081	0.094	0.132
\$5,000,000	0.019	0.031	0.040	0.048	0.066	0.078	0.112
\$6,000,000	0.015	0.025	0.033	0.040	0.056	0.066	0.097
\$7,000,000	0.012	0.021	0.028	0.034	0.048	0.057	0.085
\$8,000,000	0.010	0.018	0.024	0.029	0.042	0.050	0.075
\$9,000,000	0.009	0.015	0.020	0.026	0.037	0.044	0.067
\$10,000,000	0.007	0.013	0.018	0.022	0.032	0.039	0.060

4.

**Retrospective Pure Premium Development Factors**

With Loss Limit			Without Loss Limit			4th & Subsequent Adjustment
1st Adj.	2nd Adj.	3rd Adj.	1st Adj.	2nd Adj.	3rd Adj.	
0.08	0.05	0.04	0.34	0.21	0.16	0.00

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 3-A  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION**

**B. DEFINITIONS**

**1. General Definitions**

**(Applies in: AL, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, RI, SC, SD, TN, UT, VT, WI, WV)**

**d. ~~Large Risk Alternative Rating Option (LRARO)~~**

~~The Large Risk Alternative Rating Option is a flexible retrospective rating plan that is mutually agreed to by the insured and carrier. It is an available option for insureds with an estimated annual standard premium of at least \$500,000 individually or in any combination with any commercial casualty insurance line and/or workers compensation and employers liability insurance.~~

~~Refer to Rule 2-E of this manual for state-specific premium eligibility thresholds.~~

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 3-B  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION**

**B. DEFINITIONS**

**1. General Definitions**

(Applies in: AL, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)

**d. Large Risk Alternative Rating Option (LRARO)**

The Large Risk Alternative Rating Option is a flexible retrospective rating plan that is mutually agreed to by the employer and carrier. It is an available option for policies that meet or exceed a specific premium eligibility threshold.

*Refer to Rule 2-E for the state-specific premium eligibility thresholds.*

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 4-A  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION**

**B. DEFINITIONS**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)**

**2. Elements of the Retrospective Rating Plan Formula**

The following formula includes all of the elective elements available under a retrospective rating plan. See *Rule 3 of this manual*. For other variations of the retrospective rating formula, refer to Rule 3.

Retrospective Rating Premium = (Basic Premium + Excess Loss Premium + Retrospective Rating Development Premium + Converted Losses) x Tax Multiplier-



**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 4-B  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION  
B. DEFINITIONS**

**2. Elements of the Retrospective Rating Plan Formula**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)

**e. Excess Loss Premium (ELP)**

Excess loss premium (ELP) is a charge for election of a loss limitation. ~~The excess loss premium factor~~ It is applied after the basic premium in the retrospective rating plan formula. The ELP calculation is:

~~(Excess Loss Premium ELP = Excess Loss Factor x Standard Premium x Loss Conversion Factor)~~

**1. Excess Loss Factors**

Excess loss factors are used in the calculation of excess loss premium. Excess loss factors are also known as excess loss premium factors.

**2. Excess Loss Factor Determination**

- a. ~~In rate states, where NCCI files full rates, NGCI files the excess loss factors. NCCI also files excess loss and allocated expense factors which include a provision for allocated loss adjustment expenses.~~

*~~Refer to the State Retrospective Rating Value pages for the Excess Loss Pure Premium Factors. Refer to the latest approved state loss cost filing for the LAE% and Loss Assessment%.~~*

In loss cost states, NCCI files excess loss pure premium factors. Where applicable, NCCI also files excess loss and allocated expense pure premium factors which include a provision for allocated loss adjustment expenses. The excess loss pure premium factors and excess loss and allocated expense pure premium factors must be converted to excess loss factors or excess loss and allocated expense factors using the carrier's expense provisions applicable in each state.

*Refer to the State Special Rating Values pages for the excess loss factors or excess loss pure premium factors.*

- b. ~~The conversion formula~~ for converting an excess loss pure premium factor to an excess loss factor is:

$$\text{Excess Loss Premium Factor} = [(\text{Excess Loss Pure Premium Factor} \times \text{Expected Loss Ratio}) \times (1 + \text{Loss Adjustment Expense \%} + \text{Loss Assessment \%})]$$

The formula for converting an excess loss and allocated expense pure premium factor to an excess loss and allocated expense factor is:

$$\text{Excess Loss and Allocated Expense Factor} = (\text{Excess Loss and Allocated Expense Pure Premium Factor} \times \text{Expected Loss Ratio}) \times (1 + \text{Loss Adjustment Expense \%} + \text{Loss Assessment \%})$$

~~The Excess Loss Pure Premium Factor, LAE %, and Loss Assessment % are NGCI-provided values.~~

The carrier determines the Expected Loss Ratio (ELR). ELR is a ratio of pure losses (no LAE) to premium.

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 4-B (CONT'D)  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION**

**B. DEFINITIONS**

**2. Elements of the Retrospective Rating Plan Formula**

**(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)**

*Refer to the latest approved state loss cost filing for the Loss Adjustment Expense (LAE) % and Loss Assessment %.*

*Refer to the State Special Rating Values pages for the Excess Loss Factors or Excess Loss Pure Premium Factors.*

- c. The Table of Classification by Hazard Group is used to determine the excess loss factor. This factor is determined based on the selected loss limitation and the hazard group assignment shown in the Table for the classification producing the largest amount of estimated workers compensation standard premium for each state included in the plan. *Refer to the **Basic Manual** for the Table of Classification by Hazard Group.*

For insureds employers having USL&HW coverage for non-F-classification codes, the applicable hazard group to use for the determination of an excess loss factor (ELF) is the state classification code hazard group, located in NCCI's **Basic Manual**, increased by two levels. When the state classification hazard group is already at the highest level hazard group, use that highest level hazard group. *Refer to **User's Guide** for examples.*

For the classification codes that include federal coverages (or F-classification codes), use the hazard group assigned to that code.

<b>State Classification Hazard Group</b>	<b>USL&amp;HW Hazard Groups for Non-F-Classification Codes Hazard Groups</b>
A	C
B	D
C	E
D	F
E	G
F	G
G	G

*Refer to the **User's Guide** for more information about excess loss factors.*

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 4-C  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 1—GENERAL EXPLANATION  
B. DEFINITIONS**

**2. Elements of the Retrospective Rating Plan Formula**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, GA, HI, IA, ID, IL, IN, KS, KY, MA, MD, ME, MS, MT, NC, NE, NH, NM, NV, OK, RI, SC, SD, TN, UT, VA, VT, WI, WV)

**f. Retrospective Development Premium (RDP)**

Retrospective development premium (RDP) is an elective element that varies by state. The RDP It stabilizes premium adjustments for an employer insured written under a retrospective rating plan by anticipating future ~~increases~~ changes in ~~loss costs or rates~~ losses. The RDP calculation is ~~calculated~~ using the following formula:

Retrospective Development Premium RDP = Standard Premium x Retrospective Development Premium Factor x Loss Conversion Factor.

**1. Retrospective Development Factor**

The retrospective development premium factor anticipates a pattern of increasing valuation of losses after the policy is expired. The retrospective development premium factor is included in the first three calculations of the retrospective premium.

**2. Retrospective Development Factor Determination**

- a. NCCI files the retrospective development factors in ~~in~~ states where NCCI files full rates, ~~NGCI~~ files the retrospective development factors. *Refer to the State Special Rating Values pages of this manual for the retrospective development premium factors.*

In loss cost states, NCCI files retrospective ~~development pure premium~~ development factors. The retrospective ~~development pure premium~~ development factors must be converted to retrospective development premium factors using the carrier's expense provisions applicable in each state.

*Refer to the State Special Rating Values pages of this manual for the retrospective development factors or retrospective development pure premium development factors.*

- b. The ~~conversion~~ formula for converting a retrospective pure premium development factor to a retrospective development factor is:

Retrospective Development Premium Factor = Retrospective Pure Premium Development Factor x Expected Loss Ratio x (1 + Loss Adjustment Expense % + Loss Assessment %)

The Retrospective Pure Premium Development Factor, LAE %, and Loss Assessment % are ~~NGCI provided values.~~ *Refer to the State Retrospective Rating Values pages for the Retrospective Pure Premium Development Factors. Refer to the latest approved loss cost filing for the LAE % and Loss Assessment %.*

The carrier determines the Expected Loss Ratio (ELR). ELR is a ratio of pure losses (no LAE) to premium.

*Refer to the latest approved state loss cost filing for the Loss Adjustment Expense (LAE) % and Loss Assessment %.*

*Refer to **User's Guide** for examples.*

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 5-A  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 2—ELIGIBILITY FOR THE PLAN**

**(Applies in: AL, CO, DC, GA, HI, IA, ID, IL, IN, KS, KY, LA, MD, ME, MS, MT, NC, NM, NV, RI, SC, SD, UT, VT, WI, WV)**

**E. LARGE RISK ALTERNATIVE RATING OPTION (LRARO)**

The Large Risk Alternative Rating Option provides the carrier and insured the option of negotiating the retrospective rating factors used to calculate premium. An insured is eligible for the LRARO if the estimated standard premium individually or in any combination with any other commercial casualty lines of insurance exceeds an annual standard premium eligibility threshold of \$500,000 for the term of a retrospective rating plan.

The following table lists states with different annual standard premium eligibility thresholds for LRARO.

**LRARO Premium Eligibility Threshold by State**

<b>State</b>	<b>Annual Standard Premium Eligibility Threshold</b>
Arizona	\$250,000
Kansas	\$1,000,000
Minnesota	\$250,000
Nevada	\$250,000
New Hampshire	\$250,000
North Carolina	\$250,000
Oregon	See state rule exception

A different premium eligibility level may be used if filed by an individual carrier, subject to regulatory approval.

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 5-B  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 2—ELIGIBILITY FOR THE PLAN**

(Applies in: AL, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)

**E. LARGE RISK ALTERNATIVE RATING OPTION (LRARO)**

The Large Risk Alternative Rating Option (LRARO) provides the carrier and employer the option of negotiating, and mutually agreeing on, the retrospective rating plan premium.

The following table lists the different LRARO premium eligibility thresholds and other requirements by state:

**LRARO Table by State**

<u>State</u>	<u>Premium Eligibility Threshold</u>	<u>Premium Eligibility Threshold Basis</u>	<u>Other</u>
AL, CO, DC, GA, HI, IA, ID, IL, IN, KY, LA, MD, ME, MS, MT, NM, RI, SC, SD, UT, VT, WV	Estimated annual standard premium exceeds \$500,000	Workers compensation standard premium only or in any combination with any other commercial casualty lines of insurance for the term of the plan.	
AZ	Estimated annual standard premium exceeds \$250,000	Workers compensation standard premium only or in any combination with general liability, hospital professional liability, commercial automobile, crime, glass, or workers compensation for the term of the plan.	A carrier is not required to offer LRARO under certain conditions. For more information, refer to the Arizona State Rule Exception 2-E.  Carriers may not file a different standard premium eligibility threshold in Arizona for LRARO.  The maximum premium factor under the plan may not be less than 100%, and the minimum premium factor not less than 25%.
CT	Estimated annual standard premium exceeds \$100,000	Workers compensation standard premium only, or, if written on a multiple-lines basis, the workers compensation portion of the standard premium must exceed \$100,000.	

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 5-B (CONT'D)  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 2—ELIGIBILITY FOR THE PLAN**

(Applies in: AL, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)  
LRARO Table by State (Cont'd)

<u>State</u>	<u>Premium Eligibility Threshold</u>	<u>Premium Eligibility Threshold Basis</u>	<u>Other</u>
<u>FL</u>	Estimated annual countrywide standard premium of \$750,000 or more for workers compensation, of which \$100,000 or more must be estimated annual standard premium in Florida	Workers compensation standard premium only.	The employer must have exposure in more than one state.  <i>Refer to Rule 1-B-1-d for carrier eligibility requirements.</i>  <i>Refer to Rule 3-G for additional information.</i>  <i>Refer to Rule 4-A for applicable endorsements.</i>
<u>KS</u>	Estimated annual standard premium exceeds \$1,000,000	Workers compensation standard premium only or in any combination with any other commercial casualty lines of insurance for the term of the plan.	
<u>MA</u>	Estimated annual standard premium (excluding ARAP surcharge) exceeds \$500,000	Workers compensation standard premium only for the term of the plan.	
<u>MN</u>	Annual written premium of \$250,000 or more generated from Minnesota and other states before the application of any large deductible rating plans	Workers compensation premium only.	The carrier must file a certification in the form specified in Minnesota §79.56, subd. 1(b) for each impacted policy with the Minnesota Department of Commerce verifying compliance with the statute.
<u>MO</u>	Estimated annual standard premium exceeds \$500,000	Workers compensation standard premium only, or, if written on a multiple-lines basis, the workers compensation portion of the standard premium must exceed \$100,000.	
<u>NC</u>	Estimated annual standard premium exceeds \$250,000	Workers compensation standard premium only or in any combination with any other commercial casualty lines of insurance for the term of the plan.	

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 5-B (CONT'D)  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 2—ELIGIBILITY FOR THE PLAN**

(Applies in: AL, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)  
LRARO Table by State (Cont'd)

<u>State</u>	<u>Premium Eligibility Threshold</u>	<u>Premium Eligibility Threshold Basis</u>	<u>Other</u>
<u>NH</u>	<u>Estimated annual standard premium exceeds \$250,000</u>	<u>Workers compensation standard premium only, or, if written on a multiple-lines basis, the workers compensation portion of the standard premium must be at least \$250,000.</u>	
<u>NV</u>	<u>Estimated annual standard premium exceeds \$250,000</u>	<u>Workers compensation standard premium only.</u>	<u>The maximum premium factor under the plan may not be less than 100%.</u>
<u>OK</u>	<u>Estimated annual standard premium exceeds \$250,000</u>	<u>Any one of the following single lines of insurance: general liability, hospital professional liability, commercial automobile, crime, glass, or workers compensation.</u>	<u>Lower premium eligibility levels may not be selected.</u>
	<u>Estimated annual standard premium exceeds \$500,000</u>	<u>Multiple lines basis.</u>	
<u>OR</u>	<u>Carrier-estimated annual standard premium exceeds \$500,000</u>	<u>Workers compensation standard premium only.</u>	
	<u>Carrier-estimated annual standard premium exceeds \$750,000</u>	<u>Multiple lines in any combination with general liability, hospital professional liability, commercial automobile, crime, glass, or workers compensation, provided the workers compensation portion of standard premium exceeds \$500,000.</u>	
<u>TN</u>	<u>Estimated annual standard premium exceeds \$250,000</u>	<u>Workers compensation standard premium only.</u>	
	<u>Estimated annual standard premium exceeds \$500,000</u>	<u>Multiple lines in any combination with general liability, hospital professional liability, commercial automobile, crime, glass, or workers compensation.</u>	

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 5-B (CONT'D)  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 2—ELIGIBILITY FOR THE PLAN**

(Applies in: AL, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NH, NM, NV, OK, OR, RI, SC, SD, TN, TX, UT, VA, VT, WI, WV)  
LRARO Table by State (Cont'd)

<u>State</u>	<u>Premium Eligibility Threshold</u>	<u>Premium Eligibility Threshold Basis</u>	<u>Other</u>
<u>TX</u>	Estimated standard premium exceeds \$350,000 for an interstate retrospective rating policy, where combination of states is applicable under one policy, and an estimated standard premium of at least \$100,000 for an intrastate retrospective rating policy	Workers compensation standard premium only or in combination with any other commercial casualty lines of insurance.	The maximum retrospective premium may not be less than 100% or greater than 500% of standard premium.  The minimum retrospective premium may not exceed the guaranteed cost (standard premium after premium discount) that would apply to the insured if the insured were not subject to retrospective rating.
<u>VA</u>	Refer to § 38.2-1903 of the Code of Virginia for the exemption applicable to large risk retrospective rating plans.		
<u>WI</u>	Estimated annual standard premium exceeds \$250,000	Workers compensation standard premium only.	For employers with an estimated annual standard premium less than \$1,000,000, individually or in any combination with other lines of coverage, the maximum premium under this plan must not be less than 100% of standard premium.
	Estimated annual standard premium exceeds \$500,000	Multiple lines in any combination with general liability, hospital professional liability, commercial automobile, crime, glass, or workers compensation.	

*Refer to **User's Guide** for applicable endorsements.*



**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP DIFFERENTIALS AND MANUAL RULES**

---

**EXHIBIT 6  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
RULE 3—OPERATION OF PLAN**

(Applies in: AK, AL, AR, AZ, CO, CT, DC, FL, GA, HI, IA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MN, MO, MS, MT, NC, NE, NH, NM, NV, OK, OR, RI, SC, SD, TN, UT, VA, VT, WI, WV)

**C. THE RETROSPECTIVE RATING PREMIUM WITHOUT ELECTIVE PREMIUM ELEMENTS**

The premium for an employer ~~insured~~ subject to a retrospective rating plan is determined by the following retrospective rating premium formula.

Retrospective Rating Premium = [Basic Premium + Converted Losses] x Tax Multiplier

The retrospective rating premium will not be less than the minimum retrospective rating premium or more than the maximum retrospective rating premium selected for a retrospective rating plan.

If the ~~insured employer~~ for which a retrospective rating plan is applied includes more than one legal entity, a single retrospective rating premium is calculated on the basis of the combined entities.

**Note:** ~~Insureds~~ Employers with an estimated annual standard premium of a specified premium eligibility threshold ~~requirement and basis~~, ~~individually or in any combination with commercial casualty lines of insurance~~, may be rated under the Large Risk Alternative Rating Option. ~~That~~ This option provides that such ~~insureds~~ employers may be retrospectively rated as mutually agreed upon by the ~~insured employer~~ and carrier. *Refer to Rule 2-E for state-specific average annual standard for premium eligibility thresholds.*

*Refer to **User's Guide** for examples.*

A ~~different premium eligibility level~~ may be used if filed by an individual carrier, subject to regulatory approval.

**ITEM R-1411—2015 UPDATE TO THE RETROSPECTIVE RATING PLAN HAZARD GROUP  
DIFFERENTIALS AND MANUAL RULES**

**EXHIBIT 8  
RETROSPECTIVE RATING PLAN MANUAL—2009 EDITION  
NORTH CAROLINA STATE RULE EXCEPTIONS  
RULE 4—ADMINISTRATION OF THE PLAN**

**B. REPORTS OF PREMIUMS AND LOSSES UNDER THE PLAN**

The standard premium and losses incurred under a retrospective rating plan policy must be reported in accordance with the *North Carolina Statistical Plan Manual* and NCCI's *Financial Call Reporting Guidebook*.

For Financial Call reporting instructions on any additional or return premium under the retrospective rating program, refer to NCCI's *Financial Call Reporting Guidebook*.