

April 10, 2015

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Workers Compensation Insurance

Company Specific Large Risk Alternative Rating Option
(LRARO) Program Filings for Retrospectively Rated Risks

The North Carolina Rate Bureau has filed, and the North Carolina Department of Insurance has approved a new cover sheet for the purpose of allowing member companies to file independent, carrier-specific forms with the North Carolina Department of Insurance (DOI) related to policies which are in the Retrospective Rating Plan and meet the Large Risk Alternative Rating Option (LRARO) criteria. The new cover sheet is attached to this circular.

This optional program will work similar to the existing program for policies with Large Deductibles. If a company elects to file independent forms with the Department of Insurance for a carrier-specific LRARO program, the attached cover sheet would be included with that carrier specific filing. The Department of Insurance has agreed to review any policy endorsements under this program as an independent carrier filing.

The existing LRARO program and endorsement (WC 00 05 16 – Retrospective Rating Plan Premium Endorsement – Large Risk Alternative Rating Option) continue to be available for carrier's use and are not replaced by this "optional" program. The existing LRARO endorsement has not been modified or withdrawn.

If you have any questions concerning this matter, please feel free to contact me.

Sincerely,

Rebecca Williams

Manager – Data Analysis, NCRB

RW:dms

Attachment

C-15-9

**RETROSPECTIVE RATING PLAN
LARGE RISK ALTERNATIVE RATING OPTION (LRARO) PROGRAM FILING
COVER SHEET**

Completion of this form is MANDATORY for all LRARO Programs.

With all LRARO Programs, the following must be included in the filing:

1. A copy of this completed cover sheet.
2. A summary and explanation of the entire LRARO Program.
3. The company-specific LRARO endorsement proposed
4. All rates and rules associated with the LRARO Program must also be filed using this cover sheet, but rates and rules filings must be made separately from forms filings. If already filed, provide reference filing number below.

1	Will the Basic Manual Rules apply, without change, to policies written under the LRARO Program?	YES / NO
2	Will the Experience Rating Plan apply, without change, to policies written under the LRARO Program?	YES / NO
3	Will the premium and losses associated with the LRARO Program continue to be reported under the North Carolina Statistical Plan?	YES / NO
4	Will the insurer (or TPA, on its behalf) handle defense and settlement of all claims associated with the LRARO Program?	YES / NO
5	Is the proposed form an endorsement to the standard WC policy? (Please answer NO if this form replaces or amends standard policy language - WC 00 00 00 C).	YES / NO
6	Are there applicable rates and/or rules associated with this program filing? Please note that Rates and Forms must be submitted in separate filings. For the Rate and Rule filing, please provide the reference filing: Reference Number: 	YES / NO
7	Will the loss costs filed by the North Carolina Rate Bureau be used in pricing the policy? If not, please provide the reference filing number for the loss costs to be used. Reference Number: 	YES / NO
8	What is the minimum size of risk (in terms of Standard Premium) that will be eligible for this program?	\$

If the answers to Questions 1-5 are "YES" and the minimum size of risk in Question 8 is greater than or equal to \$250,000 in Standard Premium, the LRARO program, including this Cover Sheet, should be filed directly with the North Carolina Department of Insurance with a copy to the North Carolina Rate Bureau.

By my signature below, I affirm on behalf of (Carrier) that this filing is for a LRARO Program only, and is not being done in conjunction with or concurrent with any other filing for Workers Compensation and Employers Liability Insurance. I also verify that all items contained in the filing attached apply solely to the LRARO Program and do not impact policies other than those for which we intend to apply this LRARO Program, and that this filing has no impact on the uniform policy form filed by the North Carolina Rate Bureau.

Company Name: _____

Filer Name: _____

Filer Signature: _____

Date _____