

**NORTH CAROLINA INSURANCE GUARANTY ASSOCIATION**

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January 28, 1998

CIRCULAR LETTER TO THE ADDRESSED MEMBER STOCK INSURERS

Re: Refund - Stock Reserve Account

Pursuant to amendments to Article 48, Chapter 58, General Statutes of North Carolina, this Association, on January 1, 1993, assumed responsibility for handling workers' compensation insurance claims previously handled under the Stock Workers' Compensation Security Fund.

At its annual meeting on October 7, 1997, the Association's Board of Directors voted to approve a refund to the Association's current stock member insurers from the Stock Reserve Account in the amount of \$250,000.

This refund is based upon the 1996 North Carolina net direct written workers' compensation insurance premiums, less dividends, for stock insurers shown on Page 15 of the 1996 Annual Statements. The refund was developed on the basis of the following:

Refund	Premium Base	Refund Factor
\$250,000	\$472,145,437	.000529497

The statement attached hereto will show (1) your Company's 1996 net direct workers' compensation insurance premium writings, and (2) the amount of your Company's refund (a check for which is attached) which was calculated by applying the refund factor to the 1996 workers' compensation insurance premium writings.

Very truly yours,

John W. Watkins

Managing Secretary

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Enclosure

IGA-98-3