



December 15, 2017

**CIRCULAR LETTER TO ALL MEMBER MUTUAL INSURERS**

**Re: Refund – Mutual 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 claims previously handled under the Mutual Workers Compensation Security Fund. Those Statutes also require that this Association maintain a fund balance equal to one and one-half times the contingent liabilities of the account.

At its annual meeting on October 18, 2017, the Board of Directors reviewed the statutory requirements, the current fund balance and contingent liabilities and voted to approve a refund of \$3,000,000 to member mutual insurers. The refund is to be distributed among current member mutual insurers in proportion to the most recent assessment paid by each mutual insurer into the Mutual Reserve Account. That assessment was issued on November 22, 2006 and the refund has been developed based on the following:

| Refund*     | Refund Base | Refund Factor |
|-------------|-------------|---------------|
| \$3,000,000 | \$4,323,317 | .693911642    |

\*This refund does NOT relate to the premium tax credits provision as referenced in N.C.G.S. 105-228.5A.

If a statement is attached hereto, it shows the actual assessment paid by your Company based on the 2006 assessment, and the amount of your Company’s refund which was calculated by applying the refund factor to the actual assessment paid. Our check is enclosed with this statement.

If you have any questions regarding this assessment, please contact our Association at 919-783-9813.

Sincerely,

Edith T. Davis

Chief Financial Officer

ETD: lad  
Enclosure  
IGA-17-4