



July 21, 2022

CIRCULAR LETTER TO ALL MEMBER COMPANIES

Re: Expense Allowances - Effective October 2022
Monthly Summary Report Processing

Attached is an exhibit showing the new expense allowances which will be applicable in the processing of Monthly Summary Reports and Account Activity Statements beginning with the reports for October 2022, which begins a new fiscal year for the Facility. These expense allowances were determined in accordance with Article XII of the Plan of Operation and Chapter 9 of Section 4 of the Rules of Operation of the Facility.

This exhibit indicates for each company or company group which has ceded to the North Carolina Reinsurance Facility the new ceding expense allowance for other than designated agent business. The ceding expense allowance for such business for carriers not listed in the enclosed exhibit will be furnished by this Office upon request. The ceding expense allowance for designated agent business will be 33.1% of written premiums.

The claims expense allowance for all companies (excluding designated agent business) will be 11.7% of written premium. The claims expense allowance for designated agent business will be 14.7% of written premium plus 50% of outside legal expenses paid. Note that no loss adjustment expenses, allocated or unallocated, are to be included with losses reported to the Facility.

The information in this circular letter should be brought to the attention of your Company's personnel who are responsible for reconciling the monthly Account Activity Statements with the monthly premium and loss reports submitted to the North Carolina Reinsurance Facility.

Questions regarding this should be directed to Katie Lovelace at (919) 719-3041 or email at kml@ncrb.org.

Sincerely,

Terry F. Collins

Chief Operating Officer

North Carolina Reinsurance Facility

TFC:lad

Attachment

RF-22-10

NORTH CAROLINA REINSURANCE FACILITY
EXPENSE ALLOWANCES - YEAR BEGINNING 10-01-22

NCRF Code	Company Name	Ceding Expense		NCRF Code	Company Name	Ceding Expense Allowance
		Allowance				
09823	* ACE AMER INS CO	17.7%		11034	KEMPER INDEPENDENCE INS CO	a
02696	AGENT ALLIANCE INS CO	a		09824	* LIBERTY MUT INS CO	16.4%
07372	ALLIED PROP & CAS INS CO	a		11692	MIDVALE INDEMNITY CO	a
07031	* ALLSTATE INS CO	25.0%		02543	MILBANK INS CO	a
04886	AMERICAN MILLENNIUM INS CO	a		07504	NATIONWIDE GENERAL INS CO	a
08007	* AM STATES INS CO	20.3%		07612	NATIONWIDE INS CO OF AMERICA	a
05697	AMGUARD INS CO	a		06124	* NATIONWIDE MUT INS CO	a
03514	AMICA MUT INS CO	a		06142	NGM INS CO	a
09994	ATLANTIC CAS INS CO	a		07524	* NORTH CAROLINA FARM BUREAU MUT	21.5%
07093	* AUTO OWNERS INS CO	a		10511	* PEAK PROP & CAS INS CORP	a
02128	* BITCO GEN INS	a		06098	* PENNSYLVANIA NATIONAL MUT CAS INS	a
03583	* CENTRAL MUT INS CO	a		27676	* PERMANENT GENERAL ASSURANCE	a
27984	DISCOVERY INS CO	a		10545	* PROGRESSIVE PREMIER INS CO OF	24.3%
05092	ELECTRIC INS CO	17.7%		10546	PROGRESSIVE UNIVERSAL INS CO	a
06119	* EMPLOYERS MUT CAS CO	a		07960	* SAFECO INS CO OF AMERICA	a
09073	* ERIE INS CO	21.9%		07967	* SELECTIVE INS CO OF THE SE	a
09836	ESURANCE INS CO	17.6%		06127	* SENTRY INSURANCE A MUT CO	21.4%
05293	* METROPOLITAN PROP & CAS INS CO	a		07352	SOUTHERN GENERAL INS CO	a
04729	FIREMENS INS CO OF WASH DC	a		07633	STATE AUTOMOBILE PROP & CAS INS	a
07275	* FOREMOST INS CO GRAND RAPIDS MI	a		07667	STATE FARM MUT AUTOMOBILE INS CO	24.7%
07159	GEICO INDEMNITY CO	22.7%		11366	STONEWOOD INS CO	a
07301	* GENERAL CAS CO OF WISCONSIN	a		07838	* THE CINCINNATI INS CO	a
07307	* GOV EMP INS CO	15.3%		11371	THE MEMBERS INS CO	a
27778	GREENVILLE CAS INS CO	a		02034	* THE TRAVELERS INDEMNITY CO	24.2%
09818	* HANOVER INS CO	a		02513	TRIANGE INS CO	25.9%
01238	* HARTFORD CAS INS CO	22.3%		06550	TRUCK INSURANCE EXCHANGE	18.0%
07610	* HORACE MANN INS CO	25.9%		05163	UNITRIN AUTO & HOME INS CO	a
11099	INCLINE CAS CO	a		07202	UNITRIN SAFEGUARD INS CO	a
07144	INFINITY INS CO	a		05394	UNIVERSAL INS CO	a
07611	* INTEGON GENERAL INS CORP	a		03542	* USAA CAS INS CO	15.6%

NOTES: a: Allowance of 26.1% of written premiums.

*: Includes all companies in the NCRF group code.

The claims expense allowance for all companies (excluding designated agent business) is 11.7% of written premiums.

The ceding expense allowance for designated agent business is 33.1% of written premium.

The claims expense allowance for designated agent business is 14.7% of written premiums plus 50% of outside legal expenses paid.

For a ceding expense allowance of companies not listed above, refer to the NCRF.