

## **11 NCAC 10 .1109            RATING ORGANIZATIONS**

All rating organizations participating in a filing submitted by the North Carolina Rate Bureau or the North Carolina Reinsurance Facility shall provide the following items to the Department within 30 days after the filing has been made:

- (1) General information. A description of all agendas and minutes of meetings of the rating organization affecting the filing explicitly, or implicitly through the adoption of a countrywide procedure.
- (2) Selection of methodologies. The following information regarding credibility factors, loss development factors, trending factors, overhead expenses, and profitability shall be provided whenever the rating organization derives these factors for the Rate Bureau: (If the filing itself contains the information requested in all or some of the lettered sections, reference to the location of that information is sufficient).
  - (a) A description of all data reviewed and worksheets used;
  - (b) A complete description of the methodology used to arrive at the selected loading;
  - (c) A description of alternative methodologies used or explicitly considered for use by the rating organization in other states in the last three years;
  - (d) A description of the criteria used to select one of the various methodologies for inclusion in a particular filing;
  - (e) Specific details regarding the application of these criteria in the selection of a methodology for this filing.
  - (f) Details on the application of the methodology to this filing.
- (3) Profit and contingency loading. Information shall also be provided on the underwriting profit and contingencies loading of all filings in which the rating organization has participated within the last five years in other states. For all such filings, list the state, the underwriting profit and contingencies loading submitted, any explicit loading approved, and the effective date of the rates.

*History Note:* Authority G.S. 58-2-40; 58-2-190;  
Eff. January 1, 1990;  
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.