

11 NCAC 10 .1110 WORKERS' COMPENSATION LOSS COSTS QUESTIONNAIRE

For those filings made in accordance with 11 NCAC 10 .1102(15), supporting information shall be presented as follows:

- (1) Reference Filing Adoption Form:
 - (a) Insurer's name.
 - (b) Contact person for filing.
 - (c) Title of contact person.
 - (d) Phone number.
 - (e) Insurer's FEIN.
 - (f) Insurer's file number.
 - (g) Department file number.
 - (h) NCRB reference filing number.
 - (i) Effective date.
 - (j) Insurer's proposed effective date (if different from NCRB effective date).
 - (k) Insurer's approximate market share of North Carolina written premium.
 - (l) Whether the multiplier is applicable to this filing only or to subsequent reference filings.
 - (m) Statement of accuracy of information.
 - (n) Signature of company official.
 - (o) Date signed.
- (2) Summary of Supporting Data Form:
 - (a) Statement of whether the filing applies uniformly to all workers' compensation classes.
 - (b) Loss costs modification:
 - (i) Without modification (factor equals 1.000).
 - (ii) With modification (supporting documentation required).
 - (c) Loss costs modification factor.
 - (d) Selected expenses (attach Expense Provision Exhibit):
 - (i) Commission and brokerage.
 - (ii) Other acquisition.
 - (iii) General expenses.
 - (iv) Taxes, licenses, fees, loss based assessments.
 - (v) Profit, contingencies, credit for investment income.
 - (vi) Other.
 - (vii) Total (i+ii+iii+iv+v+vi).
 - (e) Development of Expected Loss and Loss Adjustment Expense (Target Cost) Ratio: Expressed in decimal form: 1.000-(d)(vii).
 - (f) Overall effect of expense constant and minimum premiums: Expressed in decimal form, i.e., 1.2% overall effect would be 0.988.
 - (g) Overall effect of size-of-risk discounts plus expense gradation recognition in retrospective rating: Expressed in decimal form, i.e., 8.6% average discount would be 0.914.
 - (h) Provision for loss based assessments: See NCRB Reference Filing, Exhibit II.
 - (i) Company formula loss costs multiplier (b)(ii) x (1.000 - h) / [(g) - (d)(vii)] x (f).
 - (j) Company selected loss costs multiplier. Explain any differences between (i) and (j).
 - (k) Rate level changes for the coverages to which this page applies.
 - (l) Statement of whether the insurer is amending the minimum premium formula.
 - (m) Statement of whether the insurer is amending the expense constant(s).
 - (n) Statement of whether the insurer is changing the premium discount schedules.
 - (o) If the answer to (l), (m), or (n) is yes, documentation is required.
- (3) Expense Provisions Exhibit: For the following items, the insurer shall provide the three most recent years, the average, industry average, and the selected:
 - (a) Commissions and brokerage.
 - (b) Other acquisition.
 - (c) General expenses.
 - (d) Taxes, licenses, fees, and loss based assessments.
 - (e) Profit, contingencies, and investment income:
 - (i) Profit and contingencies.

- (ii) Credit for investment income.
- (f) Other.
- (g) Total (a+b+c+d+e+f).

The insurer shall indicate if the insurer's actual expense ratios are North Carolina, countrywide, or other (explain); and if the insurer's actual expense ratios are a percent of standard premium, percent of net premium, or other (explain). The insurer shall explain if the selected provisions differ from the average for reasons other than rounding.

*History Note: Authority G.S. 58-2-40; 58-36-15; 58-36-100;
Eff. February 1, 1996;
Temporary Amendment Eff. December 1, 1999;
Amended Eff. July 1, 2000;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017.*