11 NCAC 16.0504 CALCULATION PROCEDURE AND DEMONSTRATION OF COMPLIANCE

Each credit unemployment insurer shall submit to the Department of Insurance the results of each calculation as follows and the corresponding data required to perform each calculation in accordance with this Rule:

- (1) calculate the incurred loss ratio at current credit unemployment rate as defined in 11 NCAC 16 .0502(8);
- (2) calculate the credibility factor using the credibility formula as defined in 11 NCAC 16 .0502(6);
- (3) multiply Item (1) of this Rule by Item (2) of this Rule;
- (4) multiply .60 by the quantity one minus Item (2) of this Rule;
- (5) add Items (3) and (4) of this Rule; and
- divide Item (5) of this Rule by .60. Compliance with 11 NCAC 16 .0501 shall be satisfied if this quotient is equal to or greater than one. If this quotient is less than one, then in order to satisfy 11 NCAC 16 .0501 the insurer shall decrease the current credit unemployment rate until the quotient is equal to or greater than one.

History Note: Authority G.S. 58-2-40; 58-57-70; 58-57-110(a);

Eff. January 1, 1994;

Readopted Eff. October 1, 2018.