

TITLE 11 – DEPARTMENT OF INSURANCE

Notice is hereby given in accordance with G.S. 150B-21.2 and G.S. 150B-21.3A(c)(2)g that the Department of Insurance intends to amend the rules cited as 11 NCAC 10 .0313, .0603, .1102, .1107-.1109, .1113, .1201, .1202, .1207, .1303, .1403, .1601-.1604, and readopt without substantive changes the rules cited as 11 NCAC 10 .0104, .0105, .0305-.0307, .0406, .0602, .0605, .0701, .0703, .0713, .0717, .1001-.1007, .1101, .1104-.1106, .1110-.1112, .1114, .1204-.1206, .1208, .1209, .1301, .1302, .1401, .1402, .1701, and .1702.

Pursuant to G.S. 150B-21.2(c)(1), the text of the rule(s) proposed for readoption without substantive changes are not required to be published. The text of the rules are available on the OAH website: <http://reports.oah.state.nc.us/ncac.asp>.

Link to agency website pursuant to G.S. 150B-19.1(c): <https://www.ncdoi.gov/insurance-industry/rules-rules-review-and-legislative-reports/rules>

Proposed Effective Date: April 1, 2027

Public Hearing:

Date: November 9, 2026

Time: 1:00 p.m.

Location: 3200 Beechleaf Ct. Hearing Room 211 Raleigh, NC 27604

Reason for Proposed Action: To update and readopt rules as part of the required periodic review process pursuant to NCGS 150B-21.3A.

Comments may be submitted to: Alisha Benjamin, 1201 Mail Service Center, Raleigh, NC 27699-1201; email NCDOI.Rulemaking@ncdoi.gov

Comment period ends: December 14, 2026

Procedure for Subjecting a Proposed Rule to Legislative Review: If an objection is not resolved prior to the adoption of the rule, a person may also submit a written objection to the Rules Review Commission. If the Rules Review Commission receives written and signed objections after the adoption of the Rule in accordance with G.S. 150B-21.3(b2) from 10 or more persons clearly requesting review by the legislature and the Rules Review Commission approves the rule, the rule will become effective as provided in G.S. 150B-21.3(b1). The Commission will receive written objections until 5:00 p.m. on the day following the day the Commission approves the rule. The Commission will receive letters via U.S. Mail, private courier service, or hand delivery to 1711 New Hope Church Road, Raleigh, North Carolina, or via email to oah.rules@oah.nc.gov. If you have any further questions concerning the submission of objections to the Commission, please review 26 NCAC 05 .0110 or call a Commission staff attorney at 984-236-1850.

Fiscal impact. Does any rule or combination of rules in this notice create an economic impact? Check all that apply.

- ☐ State funds affected
- ☐ Local funds affected
- ☐ Substantial economic impact ($\geq$ \$1,000,000)
- ☐ Approved by OSBM
- ☒ No fiscal note required

CHAPTER 10 - PROPERTY AND CASUALTY DIVISION

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| 11 NCAC 10 .0104 | REFUSAL TO INSURE (READOPTION WITHOUT SUBSTANTIVE CHANGES) |
| 11 NCAC 10 .0105 | MANUSCRIPT OR INDIVIDUAL RISK FILINGS (READOPTION WITHOUT SUBSTANTIVE CHANGES) |
| 11 NCAC 10 .0305 | EMPLOYEES: CARS: NOT INSURED IN EMPLOYER'S FLEET POLICY (READOPTION WITHOUT SUBSTANTIVE CHANGES) |
| 11 NCAC 10 .0306 | DIVIDEND PAYMENT REQUIREMENTS (READOPTION WITHOUT SUBSTANTIVE CHANGES) |
| 11 NCAC 10 .0307 | NATION-WIDE MARINE DEFINITION ADOPTED (READOPTION WITHOUT SUBSTANTIVE CHANGES) |
| 11 NCAC 10 .0313 | ENDORSEMENTS TO BUREAU RESIDENTIAL PROGRAMS |
- (a) For the purposes of G.S. 58-41-10(a), a "residential risk" is a risk covered under any of the following North Carolina Rate Bureau residential programs: Homeowners Program, Dwelling Fire and Extended Coverage Program, Mobile Home Owner (C) Program, and Mobile-Homeowners (F) Program.

(b) When an insurance company, joint underwriting association, ~~advisory organization~~, or ~~rating statistical~~ organization files an endorsement to attach to a North Carolina Rate Bureau residential program, which endorsement provides coverage that is not subject to the jurisdiction of the Bureau and is exempt from Article 41 of Chapter 58 of the General Statutes by virtue of G.S. 58-41-10(a), the filing entity shall:

- (1) provide a copy of the filing to the North Carolina Rate Bureau;
- (2) utilize a statistical code for reporting premiums and losses and advise on what line on page 14 of the annual statement this data will be reported;
- (3) complete a forms questionnaire; and
- (4) submit the rates separately without a rate questionnaire.

History Note: Authority G.S. 58-2-40; 58-3-150; 58-40-30;
Eff. December 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
Amended Eff. April 1, 2027.

SECTION .0400 - FIRE AND CASUALTY RATING ORGANIZATIONS

11 NCAC 10 .0406 INSURER'S REPORT ON RATING ORGANIZATIONS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .0600 - CONSENT TO RATE

11 NCAC 10 .0602 CONSENT TO RATE PROCEDURES: RATE BUREAU COVERAGES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .0603 CONSENT TO RATE PROCEDURES: COMMERCIAL COVERAGES

(a) An initial (first time) application to effect consent to rate on a specific risk of coverage subject to Article 40 of G.S. 58, in excess of the rate promulgated by a licensed ~~rating statistical~~ organization or filed by a company on its own behalf shall contain the following:

- (1) a description of the insurance proposed, including primary and excess limits, the amount of coverage, the property insured, the deductible, and any other factor used for rating, where applicable;
- (2) the rate and premium that would be charged without application of consent to rate;
- (3) the proposed rate and premium;
- (4) the percent increase. The rate to be charged shall be presumed reasonable if it does not exceed 250 percent of the rate that would be charged without application of consent to rate. Any proposed rate in excess of 250 percent is subject to review and approval by the Commissioner pursuant to G.S. 58-40-30(c);
- (5) the names and addresses of the insurer, the writing agent, and the insured;
- (6) the effective date of the proposed rate;
- (7) the policy period;
- (8) the policy number; and
- (9) a letter signed by the insured acknowledging and consenting to the proposed rate. If coverage for the specific risk written on consent to rate is available through a residual market (FAIR Plan, Beach Plan, North Carolina Reinsurance Facility, North Carolina Workers Compensation Insurance Plan), a statement signed by the insured acknowledging that fact must also be executed.

(b) If a policy for which the insured had consented to pay a higher premium rate is reinstated after a lapse, the insurer shall not have to obtain a signed statement from the insured under this Rule for the reinstatement.

(c) After a signed application is obtained by an insurer under this Rule for a policy, all subsequent changes in the policy shall be endorsements for the purposes of G.S. 58-40-30(c).

(d) If a particular kind of coverage is added to a policy by endorsement during the term of the policy and the added coverage is written at a higher rate under G.S. 58-40-30(c) and under this Rule, the insurer shall obtain the signature of the insured under this Rule no later than the next renewal of the policy.

(e) If an insured consents to pay a higher premium rate under G.S. 58-40-30(c) and this Rule, consent to rate is subsequently terminated, and the insured and insurer later enter into another consent to rate agreement, the insurer shall not be required to obtain the signature of the insured unless three years have elapsed since the termination of the original consent to rate agreement.

(f) All records generated under G.S. 58-40-30(c) and this Rule shall be maintained in accordance with the requirements of 11 NCAC 19 .0100.

History Note: Authority G.S. ~~58-2-40(1); 58-40-30(c);~~ 58-2-40; 58-40-30;
Eff. February 1, 1976;
Readopted Eff. July 11, 1978;
Amended Eff. August 3, 1992; January 1, 1989;
Temporary Amendment Eff. November 8, 1996;
Amended Eff. July 1, 1998;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017;
Amended Eff. December 1, ~~2018~~ 2018;
Amended Eff. April 1, 2027.

11 NCAC 10 .0605 CONSENT TO RATE AUTO LIABILITY COVERAGE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .0700 - INSURANCE IN UNLICENSED FOREIGN AND ALIEN COMPANIES

11 NCAC 10 .0701 GENERAL INFORMATION (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .0703 APPROVAL OF INSURANCE IN NON-ADMITTED INSURANCE COMPANIES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .0713 FORM E-1 (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .0717 SURPLUS LICENSEE REPORT (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .1000 - LICENSING OF JOINT UNDERWRITING ORGANIZATIONS

11 NCAC 10 .1001 GENERAL INFORMATION (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1002 PROCEDURE FOR APPLICATION OF NEW LICENSE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1003 CHANGES IN FILED INFORMATION (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1004 PROHIBITED PRACTICES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1005 INSURER'S REPORT ON UNDERWRITING ORGANIZATIONS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1006 FORM: LICENSE CERTIFICATE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1007 RENEWAL LICENSE FEE FOR LICENSED ORGANIZATIONS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .1100 - RATE FILINGS

11 NCAC 10 .1101 PURPOSE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1102 APPLICABILITY

The following Subparagraphs indicate which Rules of this Section apply to a particular filing. All rate filings must be submitted separately and under independent cover from form filings.

- (1) Rule .1111 applies to all workers' compensation insurance rate filings made by the North Carolina Rate Bureau.
- (2) Rule .1104 applies to all nonfleet private passenger automobile insurance rate filings made by the North Carolina Rate Bureau or the North Carolina Reinsurance Facility.
- (3) Rule .1105 applies to all rate filings made by the North Carolina Rate Bureau other than those involving workers' compensation insurance or nonfleet private passenger automobile insurance.
- (4) Rule .1106 applies to all filings for deviations from the rates of the North Carolina Rate Bureau.
- (5) Rule .1107 applies to all rate filings (including those filings derived from filings of licensed ~~rating~~ statistical organizations), other than those involving:
 - (a) Lines of insurance under the jurisdiction of the North Carolina Rate Bureau.
 - (b) Nonfleet private passenger automobile insurance rates for the North Carolina Reinsurance Facility.
- (6) Rule .1108 applies to all rate filings described in Subparagraph (5) of this Rule that meet either or both of the following criteria:
 - (a) A filing for a coverage that involves an increase in one year greater than ten percent or a decrease greater than 20 percent.
 - (b) A filing for a coverage by a company whose market share is greater than ten percent.
- (7) In Subparagraph (6) coverage shall mean one of the following:
 - (a) Accountants' professional liability;
 - (b) Architects' and engineers' professional liability;
 - (c) Child care liability (other than such coverage sold incidental to another coverage, e.g., in homeowners' or commercial multiperil policies);
 - (d) Dentists' professional liability;
 - (e) Directors', officers', and trustees' liability;
 - (f) Errors and omissions liability;

- (g) Hospital premises liability;
 - (h) Hospital professional liability;
 - (i) Lawyers' professional liability;
 - (j) Liquor law liability;
 - (k) Municipal liability;
 - (l) Nurses' professional liability;
 - (m) Owners', landlords', and tenants' liability;
 - (n) Physicians' and surgeons' professional liability;
 - (o) Police professional liability;
 - (p) Pollution and environmental impairment liability;
 - (q) Products and completed operations liability;
 - (r) Public official liability;
 - (s) Public school liability;
 - (t) Recreational liability;
 - (u) Other health care specialties' professional liability;
 - (v) If not one of Subparagraphs (7)(a) through (7)(u) of this Rule, one of the lines listed on Page 14 of the Annual Statement.
- (8) Rule .1109 applies to all licensed ~~rating~~ statistical organizations participating in a filing made by the North Carolina Rate Bureau or the North Carolina Reinsurance Facility.
 - (9) Rate filings are not required for the following lines of insurance:
 - (a) Aviation physical damage;
 - (b) Mortgage guaranty;
 - (c) Ocean marine.
 - (10) Rate filings are not required for the following types of policies:
 - (a) Those written pursuant to the Surplus Lines Act;
 - (b) Those written under the Fair Access to Insurance Requirements (FAIR) Plan that include coverages other than crime insurance;
 - (c) Those written by the North Carolina Insurance Underwriting Association (the Beach Plan) that include coverages other than windstorm and hail only or crime insurance;
 - (d) Those written in North Carolina covering multistate insureds except in respect to coverages applicable to North Carolina locations;
 - (e) Those written by a town or county farmers' mutual fire insurance association restricting its operations to not more than six adjacent counties in this State;
 - (f) Those that contain assessment provisions and that are written by domestic insurance companies, associations, orders, or fraternal benefit societies that are not reciprocals.
 - (11) All inland marine manual rates and rating plans must be filed.
 - (a) This Subparagraph applies to the manual rates and rating plans of both companies and ~~rating~~ statistical organizations.
 - (b) Rates and rating plans that are not contained in or derived from a manual need not be filed.
 - (12) Rate filings are required for all rates whether advisory, suggested, or manual, except for those lines, policies, and rates specifically excluded in Subparagraphs (9), (10), and (11) of this Rule.
 - (a) Rates applicable to only one particular risk must be filed.
 - (b) Rates may be filed either as manual rates or as ranges of rates from which the rates for individual insureds are determined.
 - (c) Rates based on loss cost filings must be filed in accordance with all the requirements of Rules .1107 and .1108 including the one that requires a comparison of current and proposed rates.
 - (13) Rules .1107 and .1108 also apply to loss cost filings. In cases where a ~~rating~~ statistical organization files prospective loss costs, the same requirements as for rate filings apply, with the exception of those dealing with expense and profit provisions.
 - (14) The rates contained in all filings approved prior to January 1, 1990, other than those made by the North Carolina Rate Bureau or the North Carolina Reinsurance Facility, shall have an expiration date of January 1, 1992. Such rates may, subject to the Department's approval, be automatically renewed by a letter to the Department, specifying the Department's file number and the original approval date. Thereafter, they remain in effect until superseded, withdrawn, or modified by a subsequent filing.
 - (15) Loss costs, rates, or multipliers for workers' compensation and employers' liability that are based upon prospective loss costs filings of the North Carolina Rate Bureau shall be submitted in accordance with Rule .1110 of this Section.

History Note: Authority G.S. 58-2-40; 58-36-15; 58-36-30; 58-36-100; 58-40-30; 58-40-40; 58-41-50; 58-45-35; 58-46-15; Eff. January 1, 1989;
 Amended Eff. February 1, 1996; April 1, 1992; July 1, 1990; January 1, 1990;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
 Amended Eff. April 1, 2027.

11 NCAC 10 .1105 OTHER RATE BUREAU LINES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1106 DEVIATIONS FROM RATES OF THE NORTH CAROLINA RATE BUREAU (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1107 COMMERCIAL LINES QUESTIONNAIRE

The information required by G.S. 58-41-50 for those lines of business described in 11 NCAC 10 .1102 (5) shall be submitted by the completion of a Rate/Loss Cost Filing Questionnaire and the necessary supplementary exhibits to which the questionnaire refers.

- (1) The Rate/Loss Cost Filing Questionnaire may contain the following information:
 - (a) Name of company/Licensed ~~rating~~ statistical organization;
 - (b) Filer's Federal Employer's number;
 - (c) Filer's file number;
 - (d) Type of filing;
 - (e) Line(s) of insurance, as shown on Page 14 of the Annual Statement;
 - (f) Subline/Program title;
 - (g) Type of policies involved;
 - (h) Reasons for the filing;
 - (i) Proposed effective date and rules of implementation;
 - (j) Filer's approximate market share of North Carolina written premium for the line(s) involved;
 - (k) Percentage rate change proposed;
 - (l) Estimated total dollar impact of the filing upon North Carolina policyholders;
 - (m) Whether the filing will increase the premium of any North Carolina policyholder;
 - (n) Type of premium data included;
 - (o) Exposure unit used;
 - (p) Type of loss data included;
 - (q) Permissible loss ratio, permissible loss and LAE ratio, or permissible loss, LAE, and fixed expense ratio;
 - (r) Whether any expenses are treated as fixed;
 - (s) Credibility information;
 - (t) Loss development information;
 - (u) Trend information;
 - (v) Underwriting profit information;
 - (w) Changes in methodologies;
 - (x) Certification of accuracy.
- (2) Also submit supplementary exhibits containing the following information:
 - (a) The effect of the proposed filing on active filings affecting the line or subline;
 - (b) A comparison of current and proposed rates;
 - (c) Five-year rate filing history;
 - (d) Premium and loss data (North Carolina and countrywide);
 - (e) Expense data (North Carolina and countrywide);
- (3) In filings derived from a rate filing made by a licensed ~~rating~~ statistical organization and in filings that incorporate without modification loss costs that have been filed by a licensed ~~rating~~ statistical organization, substitute a supplementary exhibit for the items in the questionnaire containing the information described in Subparagraphs (1)(n) through (1)(v).
 - (a) For both these types of filings, this exhibit shall contain the following information:
 - (i) The name of the licensed ~~rating~~ statistical organization;
 - (ii) The relationship of the company to the licensed ~~rating~~ statistical organization;
 - (iii) The applicable licensed ~~rating~~ statistical organization filing;
 - (iv) The type of licensed ~~rating~~ statistical organization filing;
 - (v) Eligibility requirements and restrictions applicable to the company's filing.
 - (b) In cases where the licensed ~~rating~~ statistical organization files final rates, this exhibit shall also identify the basis for the differences between the company's proposed rates and those filed by the ~~rating~~ statistical organization.
 - (c) In cases where the licensed ~~rating~~ statistical organization files loss costs, this exhibit shall also contain the following information:
 - (i) Permissible loss ratio, permissible loss and LAE ratio, or permissible loss, LAE, and fixed expense ratio;
 - (ii) Whether any expenses are treated as fixed;
 - (iii) An explanation of the derivation of the expense provisions and of their incorporation into the final rates;
 - (iv) Underwriting profit information.
- (4) For loss cost filings made by licensed ~~rating~~ statistical organizations, the following modifications apply to the requirements in this Rule:
 - (a) Substitute percentage loss cost change proposed in Subparagraph (1)(k).

- (b) Omit the information described in Subparagraphs (1)(j) through (1)(n), (1)(q), (1)(r), and (1)(v) and the items in Subparagraph (1)(u) relating to premium trend.
- (c) In the exhibit described in Subparagraph (2)(b), compare current and proposed loss costs.
- (d) In the exhibit described in Subparagraph (2)(c), provide a five-year loss cost filing history.
- (e) In the exhibit described in Subparagraph (2)(d), omit those items relating to premium.
- (f) Omit the exhibit described in Subparagraph (2)(e).
- (5) For installment premium payment plan filings, substitute a different questionnaire, containing the following information:
 - (a) Name of Company/Licensed ~~rating~~ statistical organization;
 - (b) Filer's Federal Employer Number;
 - (c) Filer's file number;
 - (d) Type of filing;
 - (e) Line(s) of insurance;
 - (f) Reasons for the filing;
 - (g) Proposed effective date and rules of implementation;
 - (h) Filer's approximate market share of North Carolina written premium for the line(s) involved;
 - (i) Percentage rate change proposed;
 - (j) Estimated total dollar impact of the filing upon North Carolina policyholders;
 - (k) A comparison of the current and proposed installment fees;
 - (l) Filer's distribution of number of policies and premium by installment payment options;
 - (m) Certification of accuracy.

*History Note: Authority G.S. 58-2-40; 58-41-50;
 Eff. January 1, 1990;
 Amended Eff. April 1, 1992; December 1, 1990;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
 Amended Eff. April 1, 2027.*

11 NCAC 10 .1108 NONESSENTIAL LINES ADDITIONAL DATA

For those filings meeting one or more of the criteria described in Rule .1102(5) of this Section, the Commissioner may request, in addition to the Rate Filing Questionnaire described in Rule .1107 of this Section, that all or part of the information required by G.S. 58-41-50(e) shall be presented as follows:

Note: If the data required by this Rule are not being collected or are not readily available to insurers prior to January 1, 1990, the insurers shall commence collecting such data as of July 1, 1990. Such required data as have accrued shall be included in each filing until enough data are available to fully satisfy this Rule. If in addition to the full years of data specified in any of the below requests, more recent data of less than a full year are available, that data shall also be provided. If updates to the information requested below become available before a decision is reached on the filing, they shall also be provided. Such data are for ratemaking purposes only and should be collected only by those companies to whom this regulation will apply. If any part of the data requested is inapplicable to the review of a particular filing and is therefore excluded, an explanation for the exclusion shall be given. If the filing is being made by a ~~rating~~ statistical organization using all or part of the data of its member or subscriber companies, the information provided shall be aggregate or industrywide information and the individual companies whose data is being used shall be identified. If the filing is being made by an individual company and is based on an approved filing made by a ~~rating~~ statistical organization, that approved filing shall be identified and also the aspects that the company is incorporating in its own filing. It is not necessary to reproduce the data included in the ~~rating~~ statistical organization's filing.

- (1) North Carolina premium, loss and loss adjustment experience:
 - (a) For each coverage, premium at present rates shall be calculated. Indicate how such calculations were produced and supply supporting documentation for a sample of such calculations and an explanation of any aggregate factors used.
 - (b) Information from the Annual Statement on losses and premiums shall be included. Provide such information separately from the latest five Annual Statements for the individual line(s) affected by the filing:
 - (i) North Carolina Page 14;
 - (ii) Part 2;
 - (iii) Part 2B;
 - (iv) Part 3A.
 - (c) The following information on overall rate level for individual coverages shall be calculated or estimated:
 - (i) The experience rating plan and schedule rating plan off-balance;
 - (ii) The average deviation from bureau rates;
 - (iii) The average dividend granted.

If the filing involves a rate change for a particular classification or territory, rather than an overall statewide rate change, the same information shall be calculated or estimated for that class or territory.

- (d) For each coverage and each year used in setting the overall rate level, the following information on dollars of incurred losses shall be provided:
 - (i) Paid losses;
 - (ii) Case basis reserves;
 - (iii) Loss development;

- (iv) Incurred allocated loss adjustment expense (if collected separately from losses);
 - (v) Incurred unallocated (or combined allocated and unallocated) loss adjustment expense;
 - (vi) Applied trend factor;
 - (vii) Trended total incurred losses and LAE.
 - (e) Whenever North Carolina or countrywide losses are separated into excess (catastrophe) and nonexcess (noncatastrophe) losses, a clear description and explanation of the standard used to separate such losses shall be included. In determining an excess (catastrophe) loading, supply as many years of data as possible. If the number of years used differs from the number available, provide an explanation. Also provide an explanation if the data from which the excess loading is derived differs from that on which the rate level change is based.
 - (f) Territorial and class rate calculations shall include earned premiums, incurred losses, and the number of claims for each of the years used to determine relativities.
- (2) Credibility factor development and application. All relevant information related to the derivation of credibility factors contained in the filing shall be provided. Include the following information:
- (a) A description of all data reviewed and of all worksheets used;
 - (b) A complete description of the methodology used to derive the factors;
 - (c) A description of alternative methodologies used or considered for use 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) Loss development factor development and application.
- (a) All relevant information related to the derivation of the loss development factors contained in the filing shall be provided. Include the following information:
 - (i) A description of all data reviewed and of all worksheets used;
 - (ii) A complete description of the methodology used to derive the factors;
 - (iii) A description of alternative methodologies used or considered for use in the last three years;
 - (iv) A description of the criteria used to select one of the various methodologies for inclusion in a particular filing;
 - (v) Specific details regarding the application of these criteria in the selection of a methodology for this filing;
 - (vi) Details on the application of the methodology to this filing.
 - (b) If accident, report, or notice year data is used in the rate filing, provide for each coverage sufficient total limits paid loss development data so that at least five loss development factors can be calculated for each interval for which there has been significant historical development. Also provide the corresponding loss development factors and five-year average factors derived from the data.
 - (c) The same information in Subparagraph (b) of this Paragraph for basic and total limits incurred losses.
 - (d) The same information in Subparagraph (b) of this Paragraph for number of paid claims.
 - (e) The same information in Subparagraph (b) of this Paragraph for number of outstanding claims.
 - (f) A statement regarding any strengthening or weakening of company reserves that has occurred in the last five years. (If the filing is by a ~~rating~~ statistical organization, include statements from the ten largest writers of the coverage in North Carolina whose data has been included in the filing.)
- (4) Trending factor development and application:
- (a) Available trend data (both countrywide and for North Carolina) for the latest available five years shall be provided for all coverages.
 - (b) All relevant information related to the derivation of the trend factors contained in the filing should be provided. Include the following information:
 - (i) A description of all data reviewed and of all worksheets used;
 - (ii) A complete description of the methodology used to derive the factors;
 - (iii) A description of alternative methodologies used or considered for use in the last three years;
 - (iv) A description of the criteria used to select one of the various methodologies for inclusion in a particular filing;
 - (v) Specific details regarding the application of these criteria in the selection of a methodology for this filing;
 - (vi) Details on the application of the methodology to this filing.
- (5) Changes in premium base and exposures:
- (a) Data on the mix of policies by different policy terms shall be submitted. For the latest five years, include both the number of policies and the amount of earned premium for different policy terms.
 - (b) Data on changes in distribution of insureds by class and territory shall be submitted. Submit all information available on such groupings for the latest five years.
 - (c) Data on changes in any inflation sensitive premium bases for the coverage during the latest five years shall also be included.
- (6) Limiting factor development and application. Information on the following items shall be provided:
- (a) Limitations on losses included in the statistical data used in the filing;
 - (b) Limitations on the extent of the rate level change by coverage or subline;
 - (c) Limitations on the extent of territorial and class rate changes;
 - (d) Any other limitations applied.

- (7) Expenses:
- (a) All relevant information related to the derivation of the expense factors contained in the filing should be provided. Include the following information:
 - (i) A description of all data reviewed and of all worksheets used;
 - (ii) A complete description of the methodology used to arrive at the selected loading;
 - (iii) A description of alternative methodologies used or considered for use in the last three years;
 - (iv) A description of the criteria used to select one of the various methodologies for inclusion in a particular filing;
 - (v) Specific details regarding the application of these criteria in the selection of a methodology for this filing;
 - (vi) Details on the application of the methodology to this filing.
 - (b) Earned premium and paid and incurred unallocated loss adjustment expenses for each of the latest five years shall be included. If available, provide such information by coverage.
 - (c) The number of paid and incurred claims and allocated loss adjustment expenses (if such are available separately from losses) for each of the last five years shall also be included. If available, provide such information by coverage.
 - (d) For all incurred (or paid) loss adjustment expense data contained in the filing, the related incurred (or paid) losses shall be shown.
 - (e) A statement regarding any company expense cutting activities undertaken in the last five years shall be provided. (If the filing is by a ~~rating~~ statistical organization, include statements from the ten largest writers of the coverage in North Carolina whose data has been included in the filing.)
- (8) The percent rate change:
- (a) The overall statewide rate change shall be estimated as well as the changes from the previous filing in each of the following: experience, annual trend factors, the expense provisions, the tax provision, and the underwriting profit and contingency provision. Also identify any recent law changes that have affected the calculation of the overall rate level and estimate their impact.
 - (b) The information described in Subparagraph (a) of this Paragraph shall also be estimated by coverage or subline.
- (9) Proposed rates:
- (a) Proposed rates for each territory, classification, and coverage shall be provided. (In filings involving a large number of possible rates, information on rating factors and their application may be substituted for the actual rates.)
 - (b) An explanation of how territorial average rates and classification rates are determined shall be included. Also provide a sample calculation for each.
- (10) Investment earnings. Information on anticipated investment income is necessary to establish the provision for underwriting profit in the rates.
- (a) Information on the amount of investment income earned on loss, loss expense, and unearned premium reserves in relation to earned premium for a particular line in North Carolina shall be calculated for the latest two years and estimated for the current year and all years during which the proposed rates will be in effect. Calculations shall be provided in detail including the amount of the reserves of each type at the beginning and end of each of the specified years.
 - (b) Information on the payout pattern of North Carolina losses shall be included, including information on the estimated average length of time that elapses between the occurrence of an insured loss and the payment of a claim. The average shall be a weighted average based on size of claim payments. Indicate how the length has changed in recent years.
 - (c) To evaluate recent insurer profitability, provide the following information separately from the latest two Annual Statements: (If the filing is for more than one company, composite information shall be provided).
 - (i) Page 2 (Assets);
 - (ii) Page 3 (Liabilities, Surplus and Other Funds);
 - (iii) Page 4 (Underwriting and Investment Exhibit);
 - (iv) Exhibit I (Analysis of Assets).
- (11) Identification and Certification of Statistical Plans:
- (a) All statistical plans used or consulted in preparing this filing shall be identified. Also describe the data compiled by each plan.
 - (b) A certification that all the data utilized in the rate filing was collected in accordance with such plans and is a true and accurate representation on the company's experience to the best of its knowledge shall also be provided.
- (12) Investment Earnings on Capital and Surplus. Given the selected underwriting profit and contingencies loadings contained in the filing, indicate the resulting rate of return on equity capital, on total assets, and on assets assigned to insurance operations including consideration of investment income. Show the derivation of all factors used in producing the calculations. Provide justification that these rates of return are reasonable and fair.
- (13) Level of Capital/Surplus Needed:
- (a) Premium to surplus ratios for the latest five calendar years shall be shown.
 - (b) Estimates of comparable ratios for the years during which the rates will be in effect shall also be provided.
 - (c) Any methodology used to allocate surplus to individual lines or coverages shall be described.

- (14) Other Information. All relevant information related to the derivation of the profit and contingencies loading contained in the filing shall be provided. Include the following information:
 - (a) A description of all data reviewed and of all worksheets used;
 - (b) A complete description of the methodology used to arrive at the selected loading;
 - (c) A description of alternative methodologies used or considered for use 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.
- (15) Additional information. The Commissioner may require such other available information as he deems necessary for a proper review of the rate filing.

History Note: Authority G.S. 58-2-40; ~~58-41-50(e)~~; 58-41-50;
 Eff. January 1, 1990;
 Amended Eff. April 8, 2002;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~; 2017;
 Amended Eff. April 1, 2027.

11 NCAC 10 .1109 RATING STATISTICAL ORGANIZATIONS

All ~~rating~~ rating statistical 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~~ rating statistical 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~~ rating statistical 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~~ rating statistical 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~~ rating statistical 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~~; 2017;
 Amended Eff. April 1, 2027.

11 NCAC 10 .1110 WORKERS' COMPENSATION LOSS COSTS QUESTIONNAIRE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1111 WORKERS' COMPENSATION (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1112 ACTUARIAL CERTIFICATION (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1113 REFERENCE FILINGS

With the exception of flood insurance written in accordance with Federal Emergency Management Agency requirements, or with the requirements of any successor agency, rate filings, including loss costs multipliers, by reference are not permitted. Adoption of rates and loss costs that have been promulgated by a licensed bureau, licensed ~~rating~~ rating statistical organization, ~~licensed advisory organization~~, licensed joint underwriting association, or licensed reinsurance organization, of which the insurer is a member, subscriber, or service purchaser, are not deemed to be reference filings.

History Note: Authority G.S. 58-2-40; 58-36-15; 58-36-65; 58-36-70; 58-36-100; 58-40-30; 58-41-50;
 Eff. August 1, 2002;
 Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~; 2017;
 Amended Eff. April 1, 2027.

11 NCAC 10 .1114 TRANSMITTAL HEADER (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .1200 - FORMS FILINGS

11 NCAC 10 .1201 GENERAL REQUIREMENTS

- (a) Insurers, ~~licensed advisory~~ statistical organizations, joint underwriting associations, and reinsurance organizations shall submit form filings under independent cover separate from rate and rule filings, which shall be made under 11 NCAC 10 .1100. Forms intended for use in this state shall be filed with the Commissioner for approval prior to their use.
- (b) Each insurer, ~~licensed advisory~~ statistical organization, joint underwriting organization and reinsurance organization shall display a unique identifier on each form filed that differentiates that form from all other forms filed with the Commissioner by that insurer, ~~licensed advisory~~ statistical organization, joint underwriting association, or reinsurance organization.
- (c) Applications or declarations pages that are used with policy forms shall be submitted to and approved by the Commissioner.

History Note: Authority G.S. 58-2-40; 58-3-150; 58-6-5; 58-36-55; 58-37-35; 58-41-50; 58-44-15; 58-45-45; 58-46-55;
Eff. January 1, 1989;
Amended Eff. May 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
Amended Eff. April 1, 2027.

11 NCAC 10 .1202 REFERENCE FILINGS

With the exception of Flood Insurance written in accordance with Federal Emergency Management Agency (FEMA) requirements, form filings by reference are not permitted. If an insurer adopts a form that has been promulgated by a licensed bureau, ~~licensed advisory~~ statistical organizations, licensed joint underwriting association, or licensed reinsurance organization of which the insurer is a member, subscriber or service purchaser, the adoption of that form is not deemed to be a reference filing.

History Note: Authority G.S. 58-2-40; 58-3-150; 58-36-55; 58-37-35; 58-41-50; 58-44-15; 58-45-45; 58-46-55;
Eff. January 1, 1989;
Amended Eff. May 1, 1994;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
Amended Eff. April 1, 2027.

11 NCAC 10 .1204 PROHIBITED POLICY PROVISIONS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1205 ESSENTIAL LINES - N.C. RATE BUREAU (BUREAU) (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1206 COMMERCIAL LINES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1207 FORM(S) QUESTIONNAIRE

All Property and Casualty Insurance Companies shall submit the following information with all forms filings on a form prescribed by the commissioner:

- (1) name of the filer;
- (2) Federal Employer's 11 Digit Number;
- (3) filer's file number;
- (4) program title;
- (5) line(s) of insurance;
- (6) how many new forms and/or revised forms are being filed;
- (7) list all old form(s) being withdrawn and department file number(s);
- (8) explain the purpose(s) of this filing;
- (9) list the states where this filing has been made;
- (10) action taken by domiciliary state if form has been filed in that state;
- (11) list the states that have approved this filing;
- (12) list the states that disapproved this filing and reason(s) for disapproval;
- (13) copies of all required modifications referred to in Paragraph (12) of this Rule;
- (14) if the filing is similar or identical to a filing made with the N.C. Department of Insurance by a licensed bureau or licensed ~~rating~~ statistical organization, complete the following:
 - (a) name of affiliated bureau or rating organization;
 - (b) name of bureau or ~~rating~~ statistical organization program;
 - (c) identification number of bureau of ~~rating~~ statistical organization program;
 - (d) are you a member, subscriber or service purchaser.
- (15) if the filing is similar or identical to a filing made with the N.C. Department of Insurance by a licensed insurance company in North Carolina, give the N.C. Insurance Department file number and approval date. Also, describe the difference(s) if any, between your form(s) and those of the previously approved program;
- (16) computer printed declarations pages should be completed in "John Doe" fashion;
- (17) proposed effective date and rule of implementation;
- (18) a certification of the accuracy of the filing by an officer of the company or head of the filings department.

History Note: Authority G.S. 58-2-40; 58-2-190; 58-3-150; 58-41-50;

Eff. January 1, 1989;

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
Amended Eff. April 1, 2027.*

11 NCAC 10 .1208 HEALTH CARE PROVIDER DEFINED; CGL POLICIES (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1209 TRANSMITTAL HEADER (READOPTION WITHOUT SUBSTANTIVE CHANGES)

SECTION .1300 - NORTH CAROLINA JOINT UNDERWRITING ASSOCIATION

11 NCAC 10 .1301 RATES: RATING PLANS: RATING RULES AND FORMS APPLICABLE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1302 CHANGE TO RATES: RATING PLANS: RATING RULES: FORMS APPLICABLE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1303 LOSS COST RATE FILINGS

If the North Carolina Rate Bureau or the ~~ISO Commercial Risk Services~~, Insurance Services Office, Inc. makes a loss cost rate filing that requires the N.C. Joint Underwriting Association to make a filing in order to have final rates, the Association must make its filing within 60 days after the loss cost filing is a proper filing, as defined in G.S. 58-41-50(b) and (c), and is announced as available for use by the respective ~~rating statistical~~ organization.

History Note: Authority G.S. 58-2-40; 58-46-55;

Eff. May 1, 1994;

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;
Amended Eff. April 1, 2027.*

SECTION .1400 - NORTH CAROLINA INSURANCE UNDERWRITING ASSOCIATION

11 NCAC 10 .1401 RATES: RATING PLANS: RATING RULES AND FORMS APPLICABLE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1402 CHANGES TO RATES: RATING PLANS: RATING RULES: FORMS APPLICABLE (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1403 LOSS COST RATE FILINGS

If the North Carolina Rate Bureau or ~~ISO Commercial Risk Services~~, Insurance Services Office, Inc. makes a loss cost rate filing that requires the N.C. Insurance Underwriting Association to make a filing in order to have final rates, the Association must make its filing within 60 days after the loss cost filing is a proper filing, as defined in G.S. 58-41-50(b) and (c), and is announced as available for use by the respective ~~rating statistical~~ organization.

History Note: Authority G.S. 58-2-40; 58-45-45;

Eff. May 1, 1994;

*Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, 2017. 2017;
Readopted Eff. April 1, 2027.*

SECTION .1600 - PROSPECTIVE LOSS COSTS FILINGS

11 NCAC 10 .1601 PURPOSE; SCOPE; APPLICABILITY

(a) This Section specifies the system under which ~~rating statistical~~ organizations and their participating insurers that elect to adopt a prospective loss cost system will operate. Under this system, ~~rating statistical~~ organizations shall not develop or file advisory final rates, but shall develop and file advisory prospective loss costs and supporting actuarial and statistical data. Each insurer must independently and individually determine and file the rates it will use. Rating Statistical organizations will continue to develop and file rules, relativities, and supplementary rating information on behalf of their participating insurers.

(b) 11 NCAC 10 .1603 applies when a ~~rating statistical~~ organization files advisory prospective loss costs. 11 NCAC 10 .1604 applies when a ~~rating statistical~~ organization files supplementary rating information. 11 NCAC 10 .1603 and 11 NCAC 10 .1604 both apply when a ~~rating statistical~~ organization files both advisory prospective loss costs and supplementary rating information. Each of these submittals shall be treated separately because different procedures will apply.

(c) Nothing in this Section requires ~~rating statistical~~ organizations to cease filing advisory rates or prevents their participating insurers from adopting such rates. Rating Statistical organizations that desire to file rates shall complete a rate filing questionnaire according to 11 NCAC 10 .1107.

(d) This Section does not apply to nonfleet private passenger motor vehicle, homeowners, or dwelling fire insurance.

History Note: Authority G.S. 58-2-40; 58-36-15; 58-37-35; 58-40-30; 58-41-50; 58-45-45; 58-46-55;

Eff. February 1, 1991;

Amended Eff. July 1, 1992;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;

Amended Eff. April 1, 2027.

11 NCAC 10 .1602 DEFINITIONS

As used in this Section:

- (1) "Developed losses" means losses (including loss adjustment expenses) adjusted, using standard actuarial techniques, to eliminate the effect of differences between current payment or reserve estimates and those needed to provide actual ultimate loss (including loss adjustment expenses) payments.
- (2) "Expenses" means that portion of a rate attributable to acquisition, field supervision, and collection expenses; general expenses; and taxes, licenses, and fees.
- (3) "Loss cost multipliers" means provisions for expenses, profit, and variations in loss experience added by an individual insurer to prospective loss costs in order to produce final rates.
- (4) "Loss trending" means any procedure for projecting developed losses to the average date of loss for the period during which the policies are to be effective.
- (5) "Prospective loss costs" means that portion of a rate that does not include provisions for expenses (other than loss adjustment expenses) or profit; and that is based on historical aggregate losses and loss adjustment expenses adjusted through development to their ultimate value and projected through trending to a future point in time.
- (6) "Rate" means the cost of insurance per exposure unit, whether expressed as a single number or as a prospective loss cost with loadings for expenses, profit, and variations in loss experience; prior to any application of individual risk variations based on loss or expense considerations. "Rate" does not include minimum premiums.
- (7) ~~"Rating~~ "Statistical organization" includes a joint underwriting organization or a joint reinsurance organization.
- (8) "Supplementary rating information" includes any rating information other than rates by territory and by class; including but not limited to classification and territory definitions, various rating rules, increased limits factors, experience rating plans, and minimum premiums.

History Note: Authority G.S. 58-2-40; 58-36-15; 58-37-35; 58-40-30; 58-41-50; 58-45-45; 58-46-55;

Eff. February 1, 1991;

Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~ 2017;

Amended Eff. April 1, 2027.

11 NCAC 10 .1603 RATE AND LOSS COSTS

- (a) A ~~rating~~ statistical organization may develop and file a reference filing with the Department, which filing shall contain the advisory prospective loss costs, the underlying loss data, and other supporting statistical and actuarial information for any calculations or assumptions underlying those loss costs.
- (b) After a reference filing has been made with the Department and determined by the Commissioner to be proper, the ~~rating~~ statistical organization shall provide its participating insurers with a copy of the reference filing.
- (c) A ~~rating~~ statistical organization may print and distribute manuals of prospective loss costs, as well as supplementary rating information as described in 11 NCAC 10 .1604. After an initial prospective loss costs reference filing has been made by a ~~rating~~ statistical organization and has been determined by the Commissioner to be proper, that ~~rating~~ statistical organization shall no longer file any minimum premiums in this State.
- (d) Each insurer must individually determine the final rates it will file and the effective date of any rate changes through an independent company decision-making process.
- (e) If an insurer that is a member, subscriber, or service purchaser of a ~~rating~~ statistical organization decides to use the prospective loss costs in a proper reference filing in support of its own filing, the insurer must submit a proper rate filing in accordance with 11 NCAC 10 .1107. In that filing, the insurer shall provide justification for the loss cost multipliers used in producing the final rates. The insurer's rates are the combination of the prospective loss costs and the insurer's loss cost multipliers.
- (f) If an insurer files a modification of the prospective loss costs in a proper reference filing based on its own anticipated experience, supporting documentation shall be required.
- (g) An insurer may vary expense loads by individual classification, grouping or subline of insurance. An insurer may use variable or fixed expense loadings or a combination of these to establish its expense loadings.
- (h) If an insurer wishes to use a minimum premium of any type, a proper rate filing must be submitted to the Department.
- (i) An insurer may file such other information that it deems to be relevant and shall provide such other information that is requested by the Department.
- (j) An insurer may have its loss costs multiplier remain on file with the Department and reference all subsequent prospective loss costs reference filings. Upon receipt of subsequent ~~rating~~ statistical organization reference filings, the insurer's rates shall be the combination of the prospective loss costs and the loss cost multiplier on file with the Department, and will be effective on or after the effective date of the prospective loss costs. The insurer need not file anything further with the Department.
- (k) If an insurer that has filed to have its loss costs multiplier remain on file with the Department intends to delay, modify, or not adopt a particular ~~rating~~ statistical organization's reference filing, the insurer must make a filing with the Department before the effective date of the reference filing.
- (l) To the extent that an insurer's final rates are determined solely by applying its loss costs multiplier to the prospective loss costs contained in a ~~rating~~ statistical organization's reference filing and printed in the ~~rating~~ statistical organization's manual, the insurer need not develop or file its final rate pages with the Department.

(m) If an insurer has filed to have its loss cost multiplier remain on file, applicable to subsequent reference filings, and a new proper reference filing is filed:

- (1) If the insurer decides to use the prospective loss costs and effective date as filed, the insurer shall not file anything with the Department. The insurer's rates shall be the combination of the prospective loss costs and the on-file loss cost multiplier. The new rates shall become effective on the effective date of the loss costs.
- (2) If the insurer decides to use the prospective loss costs as filed, but with a different effective date, the insurer must notify the Department of its effective date before the effective date of the loss costs.
- (3) If the insurer decides to use the prospective loss costs, but wishes to change its loss cost multiplier, the insurer must make another filing in accordance with Paragraphs (d) through (f) of this Rule before the effective date of the loss costs.
- (4) If the insurer decides not to revise its rates using the prospective loss costs, the insurer must notify the Department before the effective date of the loss costs.

(n) If the insurer has not elected to have its loss cost multiplier remain on file, applicable to the future prospective loss cost reference filings, and a new proper reference filing shall be filed:

- (1) If the insurer decides to use the prospective loss costs to revise its rates, the insurer must file with the Department a rate filing in accordance with Paragraphs (d) through (f) of this Rule, including the effective date of the rates.
- (2) If an insurer decides not to use the revisions, the insurer is not required to make any filing with the Department.

*History Note: Authority G.S. 58-2-40; 58-36-15; 58-37-35; 58-40-30; 58-41-50; 58-45-45; 58-46-55;
Eff. February 1, 1991;
Amended Eff. February 1, 1996;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~, 2017;
Amended Eff. April 1, 2027.*

11 NCAC 10 .1604 SUPPLEMENTARY RATING INFORMATION

(a) A ~~rating~~ statistical organization may submit a proper rate filing to the Department containing a revision of rules, relativities, or other supplementary rating information, on behalf of those insurers that have authorized the ~~rating~~ statistical organization to make such submittal on their behalves. A ~~rating~~ statistical organization may print and distribute manuals of rules, relativities, and other supplementary rating information, excluding minimum premiums.

(b) When an insurer has authorized a ~~rating~~ statistical organization to file on its behalf, and a new filing of rules, relativities, and other supplementary rating information is filed and determined to be proper:

- (1) If the insurer decides to use the revisions and effective date as filed, the insurer is not required to make a filing with the Department.
- (2) If the insurer decides to use the revisions as filed but with a different effective date, the insurer must notify the Department before the ~~rating~~ statistical organization's effective date.
- (3) If the insurer decides to use the revisions with modifications, the insurer must file supporting data for the changes with the Department for review and specify the basis for the modifications. This must be done before the ~~rating~~ statistical organization's effective date.
- (4) If the insurer decides not to use the revisions, the insurer must notify the Department before the ~~rating~~ statistical organization's effective date.

*History Note: Authority G.S. 58-2-40; 58-36-15; 58-37-35; 58-40-30; 58-40-40; 58-41-50; 58-45-45;
58-46-55;
Eff. February 1, 1991;
Amended Eff. April 1, 1992;
Pursuant to G.S. 150B-21.3A, rule is necessary without substantive public interest Eff. January 3, ~~2017~~, 2017;
Amended Eff. April 1, 2027.*

SECTION .1700 - LICENSING OF STATISTICAL ORGANIZATIONS

11 NCAC 10 .1701 GENERAL REQUIREMENTS (READOPTION WITHOUT SUBSTANTIVE CHANGES)

11 NCAC 10 .1702 PROCEDURE FOR APPLICATION OF NEW LICENSE (READOPTION WITHOUT SUBSTANTIVE CHANGES)