

NORTH CAROLINA RATE BUREAU

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August 13, 2001

CIRCULAR LETTER TO ALL MEMBER COMPANIES

A PROMPT RESPONSE IS URGENTLY NEEDED

Re: Twenty-Fourth Annual Meeting
October 23, 2001

The Twenty-Fourth Annual Meeting of the North Carolina Rate Bureau will convene at 8:30 a.m. on Tuesday, October 23, 2001. The meeting will be held in the Conference Center, Mid Pines Inn and Golf Club, 1010 Midland Road, Southern Pines, North Carolina.

Immediately following adjournment of the Twenty-fourth Annual Meeting, a meeting of the Governing Committee will convene. The agenda for this meeting will be distributed the later part of September.

The following constitutes the agenda for the Annual Meeting:

1. The Annual Report

The Twenty-Fourth Annual Report will be presented.

2. Governing Committee Election

The Rate Bureau's Constitution provides that the Governing Committee shall be composed of six stock company members, six non-stock company members and two nonvoting public members appointed by the Governor. With respect to the company members the Constitution provides that at least one member of the Governing Committee shall be a company domiciled in North Carolina, and that at each Annual Meeting the scheduled vacancies occurring in the Governing Committee shall be filled by the election of two stock and two non-stock companies to serve for terms of three years.

The current company members of the Governing Committee are:

<u>Term Expires</u>	<u>Stock</u>	<u>Non-Stock</u>
2001	Allstate Insurance Company Hartford Fire Insurance Co	Auto-Owners Insurance Co NC Farm Bureau Mut Ins Co
2002	Great American Ins Co St. Paul Fire & Mar Ins Co	State Auto Mutual Ins Co State Farm Mut Auto Ins Co
2003	Royal Insurance Co of Amer Travelers Indemnity Company	Harleysville Mut Ins Co Nationwide Mut Ins Co

There are currently two nonvoting public members of the Governing Committee, Mr. Max Offerman of Cary, North Carolina and Mr. John Wei of Cary, North Carolina.

It will be in order to elect two stock and two non-stock members for three-year terms to expire in 2004. The Constitution provides that no member shall be eligible to serve consecutively more than two three-year terms as a member of the Governing Committee. Of the four companies whose terms expire this year Allstate Insurance Company and Auto-Owners Insurance Company will be eligible for re-election. Hartford Fire Insurance Company and North Carolina Farm Bureau Mutual Insurance Company will not be eligible for re-election since those Companies will be completing second successive three-year terms.

The Chairman of the Governing Committee has appointed a Nominating Committee, and the report of the Nominating Committee will be presented at the Annual Meeting.

3. Any other business which might properly come before the meeting.

We urge that you have a representative of your Company in attendance at this meeting. For those companies which cannot be so represented, voting by proxy will be permitted. A proxy form is enclosed which we request that you complete and forward to this Office to the attention of Lois Murphey, Secretary - General Manager, AS SOON AS POSSIBLE, but no later than October 1, 2001, whether or not your Company expects to be represented in person. This will help to assure that a quorum will be present. If a representative of your Company is present at the meeting, the proxy will not be used. It is suggested that our member companies consider naming as proxy one of the twelve current company members of the Governing Committee.

Sincerely,

Raymond F. Evans, Jr., CPCU

General Manager

RFE:lm

Enclosure

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