

NORTH CAROLINA ASSIGNED RISK WORKERS COMPENSATION PREMIUM ALGORITHM

Applicable to Assigned Risk Policies Only (Effective 01 Jan 2015)

The following algorithm provides the framework for premium charges and credits. Where not specified, the premium base would be the result from the prior line.

PREMIUM ELEMENTS	EXPLANATORY NOTES	RULE REFERENCE
MANUAL PREMIUM	$[(\text{PAYROLL} / 100) * \text{RATE}]$	
+ Supplementary Disease (foundry, abrasive, sandblasting)	$[(\text{SUBJECT PAYROLL} / 100) * \text{DISEASE RATE}]$	3-A-7
+ USL&H Exposure for non-F classification codes	$[(\text{SUBJECT PAYROLL} / 100) * (\text{RATE} * \text{USL\&H FACTOR})]$	3-A-4
TOTAL MANUAL PREMIUM		
+ Waiver of Subrogation factor	Blanket Waiver: [% applied to Total Manual Premium] Specific Waiver: [% applied to the portion of Total Manual Premium where waiver is applied]	3-A-21
+ Employers Liability (E/L) increased limits factor	[% applied to Total Manual Premium]	3-A-13-b (1)
+ Employers Liability increased limits charge	[Balance to E/L increased limits minimum premium]	3-A-13-b
+ Employers Liability factor (Admiralty)	[Factor applied to the portion of Manual Premium where Admiralty coverage is applicable]	3-A-13-b (4)
- Small Deductible Credit	[% applied to Total Manual Premium]	5-E
TOTAL SUBJECT PREMIUM		
x Experience Modification (Exp Mod)		Experience Rating Plan Manual
TOTAL MODIFIED PREMIUM		
x Assigned Risk Adjustment Program (ARAP) Surcharge		4-D
+ Supplemental Disease Exposure (Asbestos, NOC)[†]		3-A-7
+ Atomic Energy Radiation Exposure NOC[†]		3-A-7
+ Charge for nonratable catastrophe loading[†]		3-A-16
+ Balance to Minimum Premium (State Act)	[Balance to minimum premium at Standard Limits]	N/A
+ Balance to Minimum Premium (Admiralty)	[Balance to minimum premium at Admiralty Standard Limits]	N/A
TOTAL STANDARD PREMIUM		
+ Coal Mine Disease Charge	[Underground, surface, surface auger]	3-A-12
+ Expense Constant		3-A-11
+ Terrorism	$[(\text{PAYROLL} / 100) * \text{TERRORISM VALUE}]$	3-A-23
+ Catastrophe (other than Certified Acts of Terrorism)	$[(\text{PAYROLL} / 100) * \text{CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) VALUE}]$	3-A-23
ESTIMATED ANNUAL PREMIUM		

[†] Nonratable Element Premiums generated by nonratable portion of manual rate are subject to all applicable premium elements applied to the policy, however, not subject to experience rating or retrospective rating.

NOC = Not Otherwise Classified.

Note: For short rate cancellations, short rate percentage/short rate penalty premium factor is subject to experience rating, included in Total Subject Premium, and applied prior to Experience Modification.