

NORTH CAROLINA RATE BUREAU

SCHEDULE RATING PLAN

1. This Plan is available to any risk whose estimated annual manual premium is equal to or greater than \$2,500.
2. Subject to a maximum modification of a 25% credit or a 25% debit, the premium for a risk may be modified in accordance with the following Schedule Rating Table to reflect characteristics of the risk that are not reflected in its experience (Note: The "Risk Characteristics" examples given to evaluate the positive or negative conditions of a risk may be interpreted as "including, but not limited to" those examples):

SCHEDULE RATING TABLE

<u>Risk Characteristics</u>	<u>Range of Modifications</u>		
	Credit	to	Debit
Premises Physical condition, preventive maintenance, hazards controlled, housekeeping	5%	to	5%
Classification Peculiarities Technology or methodology variations, exposure identification, employee distribution, employee turnover and interchange	5%	to	5%
Health and Medical First aid or medical assistance, emergency or disaster plans, return-to-work policy, alcohol or substance abuse programs, industrial hygiene and ergonomics	10%	to	10%
Safety Devices and Equipment Type and condition, guarding, personal protective equipment, maintenance	10%	to	10%
Employees Selection, training, experience, motivation, supervision	5%	to	5%
Management Commitment to workplace safety, involvement in loss control programs, cooperation with insurer	10%	to	10%
Safety Organization Accident investigation and analysis, record keeping, safety committee organization and effectiveness	5%	to	5%

3. For risks that are also experience rated, the amount of schedule credit or debit shall be applied in a multiplicative manner after the application of the experience modification but before the application of premium discounts and the expense constant.
4. There shall be an annual report to the North Carolina Rate Bureau, or its designated statistical agent, illustrating the total dollar amount of schedule debits and the total dollar amount of schedule credits.
5. Standard earned premium figures reported on the aggregate calls for experience (e.g., policy year, calendar year, etc.) must exclude the effects of schedule rating premium adjustments. Net earned premium reported on these calls must include the effects of schedule rating premium adjustments. Schedule rating premium adjustments must be reported under unique statistical codes on unit statistical reports submitted in accordance with the North Carolina Statistical Plan.
6. This program is not applicable to residual market policyholders covered under the provisions of the North Carolina Workers Compensation Insurance Plan.
7. All schedule debits and all schedule credits shall be based on documented evidence that is contained in the workers compensation policy file of the insurer.
8. The effective date of any schedule debit or credit shall not be any date prior to the receipt in the insurer's office of the evidence supporting the debit or credit.
9. The derivation of the schedule rating factor must be made available to the insured upon request. To the degree that the insured can correct the reason for any schedule debit to the satisfaction of the insurer, the debit may be removed effective the date documentation for the correction is received in the insurer's office.