



Pennsylvania Compensation Rating Bureau

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FINANCIAL DATA REPORTING APPLICATION DEMONSTRATION PRODUCT

Overview

An updated Financial Data Reporting Application Demonstration Product (FDRA demo) is available to all carriers to familiarize them with the new features and layout of the Financial Data Reporting Application (FDRA). The FDRA is an internet-based application that allows carriers to enter, edit and submit Calls subject to the Financial Data Incentive Program (FDIP) to the Bureau and the Pennsylvania Schedule W to the Pennsylvania Insurance Department. The FDRA is designed to increase the timeliness and quality of data submissions by eliminating paper submissions, providing carriers with immediate feedback for failed edits and providing carriers with a central location for their data, easing the review of multiple Calls.

Carriers should read through this document and the entire FDRA User's Guidebook before using the FDRA demo. The FDRA User Guidebook can be accessed via the Bureau's website at www.pcrb.com or www.dcrb.com under the menu item Financial Data Reporting.

The 2004 FDRA User's Guidebook provides guidance to carriers in the use of the FDRA for the reporting of Financial Data as of December 31, 2004. The FDRA Demo is designed to facilitate carriers' understanding and use of the FDRA. Please note, however, that certain features within the FDRA and described in the User's Guidebook are not available in the FDRA Demo product.

The major differences are:

- Carriers are unable to save, submit or delete data in the FDRA demo. This allows carriers to practice "worry free" on the system because they cannot unintentionally overwrite, submit or corrupt data.
- Carriers can load fictitious data prepared by the Bureau (herein referred to as demo data) into the FDRA demo system so they can become familiar with navigating through the forms when complete, modifying existing data and running edits on completed Calls.
- Carriers will not be able to fully utilize the data import function. The Call templates will be available to download, but they cannot be imported into the FDRA Demo. A fully operational import function will be included in the final release of the FDRA.
- Within the FDRA demo, the functionality of the "Change Call Year" feature is more limited than will be the case in the final release of the FDRA. If the FDRA demo Call year is changed to 2003, a carrier will be able to view the 2003 Call data, but will not be able to modify that data or run edits for call year 2003. The ability to change the FDRA demo to call years 2000, 2001 and 2003 has been disabled.

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Carriers can access the FDRA demo by going directly to the FDRA Demo website: demopcrb.pragmatix.com or through a link on the Bureaus' website at www.pcrb.com or www.dcrb.com under the menu item Financial Data Reporting.

The FDRA demo is designed for all carriers to use the same user ID and password. At the logon screen carriers should enter the following information:

User ID: **mdemo**

Password: **password**

The user IDs and passwords that were provided to the Bureaus by the carriers on the contact form will not work in the demo.

The FDRA demo represents a fictitious reporting entity comprised of two companies that have Pennsylvania and Delaware experience valued as of December 31, 2004 and December 31, 2003

The carrier can use the FDRA demo one of two ways:

- Enter their actual or their own fictitious data on blank forms and Calls.
- Load demo data into the forms and Calls.

If a carrier chooses to load the demo data they must click on **Load Data** button once successfully logged into the FDRA demo.

The FDRA demo will populate the system with the demo data for the following Forms and Calls for demonstrative purposes only:

PA Call #1	DE Call #1
PA Call #4	DE Call #2
PA Call #8	DE Call #4
PA Call #9	DE Call #8
PA Call #10	DE Call #9
PA Call #14	DE Call #10
PA Call #15	DE Call #12
Schedule W	DE Call #15
PA Statutory Page 14	DE Statutory Page 14

Be aware that the **Load Data** function is unique to the FDRA demo. The FDRA will be loaded with the carriers' Calls valued as of December 31, 2003. The carriers will then be responsible for completing the blank Calls valued as of December 31, 2004

Once the demo data is loaded, then each individual Call status is changed to **Saved**. Accordingly, to access the Calls that are populated with the demo data go to the **Saved Calls** menu item located on the left.

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Note the demo data purposely includes values that will fail several edits included in the FDRA so carriers can examine how the FDRA returns edit failures. Additionally, carriers can practice correcting the data, re-verifying the data and attaching explanations to edit failures, when appropriate, to include with your submission. Please refer to the attached FDRA Demo Exercises.

Once a carrier logs off the FDRA Demo application, all entries and/or changes will be cleared, and the system will be restored to its original demonstration format.

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FDRA Demo Exercises

The FDRA demo data purposely included values in the Pennsylvania Call #1 and Pennsylvania Call #9 that fail edits contained in the FDRA. Carriers can practice resolving these errors by reviewing the messages and following the recommended solutions discussed below.

In order to participate in these exercises the user must load the Demo Data as described in the FDRA demo Instructions.

Exercise 1 – Running Edits on the 2004 PA Call #1

Begin by accessing the 2004 PA Call #1. Run the edits by clicking on the run edits button located on the toolbar. When the FDRA finishes running edits on Call #1 the following edit list is returned in a new window.

PENNSYLVANIA CALL FOR EXPERIENCE #1 AS OF 12/31/2004

Failed Edits List

Edit 12

1. Edit 12 failed. The value for Column 8 (0) is not equal to the sum of Columns 19 and 20 (2400) for Row V.

Edit 14

2. Edit 14 failed. The value for Column 3 Row V(-1000) must be greater than or equal to 0.

Edit 16

3. Edit 16 failed. If Column 9 (17140000) or Column 11 (18718000) is greater than 0, then Column 8 (0) should not be equal to 0 for Row V.

Actuarial-1 Edit 3 With other Financial Data Incentive Program Calls

4. Actuarial-1 Edit 3 failed. Policy Year Call 1 and Statutory Page 14 Comparison failed. The difference between the total Calendar Year Earned Premium (Call #1 line 11)(95444000) and Statutory Page 14 (Column 2)(150812000) is greater than \$1000 or less than (\$1000) (55368000).
Please Explain.

5. Actuarial-1 Edit 3 failed. Policy Year Call 1 and Statutory Page 14 Comparison failed. The difference between the total Calendar Year Incurred Losses (Call #1 line 11)(310735000) and Statutory Page 14 (Column 6)(311701000) is greater than \$1000 or less than (\$1000) (966000).
Please Explain.

Schedule W and Call 1 Comparison Failed

6. Schedule W and Call 1 Comparison failed. The value for Schedule W Part B-1 Column 24 Row 10 (2400) does not equal the value for Call 1 Column 8 Row V (0).

7. Schedule W and Call 1 Comparison failed. The value for Schedule W Part B-1 Column 24 Row 16 (55367000) does not equal the value for Call 1 Column 3 Row V (-1000).

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8. Schedule W and Call 1 Comparison failed. The value for Schedule W Part C-1 Column 24 Row 2 (20966000) does not equal the value for Call 1 Column 10 Row V (20000000).

Edit with other Financial Data Incentive Program Calls

9. Schedule W, and Call 1 Comparison failed. The value reported for Call #1, Page 5, Line (4), Col.(2)(95434000) should equal the value reported for Schedule W,Part A-1, Line (5)(150802000)(-55368000).

10. Schedule W, and Call 1 Comparison failed. The value reported for Call #1, Page 5, Line (4), Col.(3)(310735000) should equal the value reported for Schedule W,Part A-1, Line (9C), Col. (4)(311701000)(-966000).

11. Schedule W, and Call 1 Comparison failed. The value reported for Call #1, Page 5, Line (11), Col.(2)(95444000) should equal the value reported for Schedule W,Part A-5, Line (5)(150812000)(-55368000).

12. Schedule W, and Call 1 Comparison failed. The value reported for Call #1, Page 5, Line (11), Col.(3)(310735000) should equal the value reported for Schedule W,Part A-5, Line (9C), Col. (4)(311701000)(-966000).

A review of this list suggests the data failed a total of 9 edits. The user should take a closer look at each edit message so they can decide if the error message is being generated because of a mistake in the data or if the error is because of a data anomaly that requires explanation.

Problem 1: Edit message #12 indicates that the total incurred claim count does not equal the sum of open and closed claims in Row V. (Note the error messages also return the value, in parenthesis, that the FDRA is testing.) In this example Column 8 is equal to 0 and the sum of Columns 19 and 20 is equal to 2400.

Solution 1: A review of the data suggests Column 8 is in error. The user should go into the Call #1 and change Row V, Column 8 to 2400.

Problem 2: Edit message #14 indicates that there is negative premium on Row V in Column 3.

Solution 2: Since premium is required on a policy year basis, it can never be a negative value. Review the premium amount and change it to an amount that would reflect accumulated policy year premium. In this case, it appears there was a keypunch error. The user should change the premium value in Column 3 from -1000 to 55,367,000.

Problem 3: Edit message #16 indicates that if there is a value in Column 9 or Column 11 there should be a claim count in Column 8.

Solution 3: If there is a value in indemnity paid (Column 9) and indemnity outstanding (Column 11) there should also be associated claim counts in the total incurred claim counts (Column 8). This error appears to be related to the Edit message #12 addressed in Problem 1. If the user made the recommended change in Solution 1, this error is no longer pertinent.

Problem 4: There are two Actuarial-1 Edit #3 messages. Actuarial-1 Edit #3 message indicates that Policy Year Call #1 and Page 15 do not match for premiums and incurred losses.

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Solution 4: A review of the data suggests the Net Earned premiums are indeed out of balance. However, the imbalance appears to be the result of the -1000 incorrectly entered on Row V, Column 3. If the user made the change suggested in Problem 2 this edit failure would disappear for the earned premium portion. However, the change required in Problem 2 / Solution 2 does not address why the incurred losses are out of balance. The user should then review all loss fields to try to find what is creating the imbalance. If the user reviews the loss data they will find that in Row V, Column 10 there is a value of 20,000,000 in the field that looks incorrect. The user recognizes this value to be incorrect and should change the 20,000,000 to 20,966,000.

Problems 5 & 6: The last 7 edit messages address comparisons between Schedule W and Call #1 that failed. The fields on Call #1 do not match the corresponding fields on Schedule W.

Solution 5 & 6: A review of the fields that do not match suggests that once all of the above changes are made the two documents will be in agreement.

Exercise 2 – Running a Report on the 2004 PA Call #1

While still in the 2004 Pennsylvania Call #1, the user should click on the run report button to review the loss cost multipliers. The relationship between Standard Earned Premium at DSR Level and Standard Earned Premium at Company Level should be consistent with each company's filed deviations and/or loss cost multiplier(s) and underlying loss cost levels.

Problem 1: The user notices that all the ratios are consistent with each company's filed deviations and/or loss cost multiplier(s) and underlying Loss Cost levels except for Policy Year 2004. The ratio is calculating exactly to 1.00. The user knows it should be a little bit higher because they have an approved LCM of 1.01 in effect and they adopted the Bureau loss cost on their effective date.

Solution 1: The user should review the premium amounts in Column 1 and Column 2 for Policy Year 2004 to determine if the correct amounts were entered.

The user finds the values entered are incorrect. The values should have read 99,061,000 in Column 1 and 100,352,000 in Column 2.

Once the user makes these changes to the PA Call #1 they should re-run the edits. The FDRA demo will return the following message.

PENNSYLVANIA CALL FOR EXPERIENCE #1 AS OF 12/31/2004

Failed Edits List

This Call passed all edits contained within the FDRA.
Please note the Call will be subject to additional Actuarial Edits performed by the Bureau to determine the reasonableness of data

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This message ensures that the changes made to the PA Call #1 addressed the FDRA edit failures.

Exercise 3 – Running Edits on PA Call #9

Begin by accessing the 2004 PA Call #9. Run the edits by clicking on the run edits button located on the toolbar. When the FDRA finishes running edits on Call #9 the following edit list is returned in a new window.

PENNSYLVANIA CALL FOR EXPERIENCE #9 AS OF 12/31/2004

Failed Edits List

Edit 22

1. Edit 22 failed. The value for Column 21 (4292000) must be less than or equal to Column 9 (500) for Row V.

Edit 23

2. Edit 23 failed. The value for Column 22 (8306000) must be less than or equal to Column 10 (500) for Row V.

Schedule W and Call 9 Comparison Failed

3. Schedule W and Call 9 Comparison failed. The value for Schedule W Part E-1 Column 17 Row 2 (11312000) does not equal the value for Call 9 Column 9 Row V (500).

4. Schedule W and Call 9 Comparison failed. The value for Schedule W Part E-2 Column 17 Row 2 (16399000) does not equal the value for Call 9 Column 10 Row V (500).

Actuarial 1 Edit 1 with Other Financial data Incentive Program Calls. Comparison to Call 8 Failed

5. Actuarial Edit 1 Comparison to Call 8 Failed . All non-zero data entries on Call 9 Line V Column 4 (1000) should be greater than the corresponding data entries on Call 8 Line V Column 4 (482000), except for columns 6, 13, 14, 16, and 18 where Call 9 may be greater than or equal to Call 8.

6. Actuarial Edit 1 Comparison to Call 8 Failed . All non-zero data entries on Call 9 Line V Column 9 (500) should be greater than the corresponding data entries on Call 8 Line V Column 9 (178000), except for columns 6, 13, 14, 16, and 18 where Call 9 may be greater than or equal to Call 8.

7. Actuarial Edit 1 Comparison to Call 8 Failed . All non-zero data entries on Call 9 Line V Column 10 (500) should be greater than the corresponding data entries on Call 8 Line V Column 10 (304000), except for columns 6, 13, 14, 16, and 18 where Call 9 may be greater than or equal to Call 8.

A review of this list suggests the data failed a total of 7 edits. The user should take a closer look at each edit message so they can decide if the error message is being generated because of a mistake in the data or if the error is because of a data anomaly that requires explanation.

Problem 1: Edit messages for Actuarial 1 Edit 1 with Other Financial data Incentive Program Calls indicate that the paid losses on Call #9 (Gross) are less than the paid losses on Call #8 (Net) on Line V. Since Call #9 should be greater than Call #8 the user should check to make sure the values are correct.

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Solution 1: A review of the data on both Call #9 and Call #8 suggests Call #9 data is in error. The user should go into Call #9 and change Row V, Column 9 to 11,312,000. While making this change the user notices that the Column 10 values are also incorrect. The user should remain in Call #9 and change Row V, Column 10 to 16,399,000.

When the user returns to the error listing and reads the remaining error messages they will realize the other messages are being generated because of the mistake they fixed in Solution 1. Accordingly, the user should re-run the edits to confirm their suspicion. If the changes were made the following message will be returned.

PENNSYLVANIA CALL FOR EXPERIENCE #9 AS OF 12/31/2004

Failed Edits List

This Call passed all edits contained within the FDRA.
Please note the Call will be subject to additional Actuarial Edits performed by the Bureau to determine the reasonableness of data.

This message ensures that the changes made to the PA Call #9, Columns 9 and 10 addressed the other FDRA edit failures.