



Pennsylvania Compensation Rating Bureau

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February 14, 2002

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PENNSYLVANIA CALL FOR EXPERIENCE #7

ACCIDENT YEAR CALL FOR PENNSYLVANIA COMPENSATION EXPERIENCE VALUED
AS OF DECEMBER 31, 2001 - DUE APRIL 15, 2002

In accordance with the approved statistical program you are hereby requested to file with the Bureau on or before April 15, 2002 your compensation experience by accident year valued as of December 31, 2001.

Note: Call #7 is to be reported on the appropriate forms and submitted to the Bureau in hard copy format as has been done in previous years. Call #7 is not supported by the Financial Data Reporting Application (FDRA) nor is it subject to the Financial Data Incentive Program (FDIP).

This call will collect underwriting experience for 20 full accident years (1981-2000) and for the accident year 2001 valued as of December 31, 2001. Experience for all accident years prior to 1981 should be accumulated and shown on Line (A) "Prior to 1981" of the Call. Note that experience for accident year 1980 and accident years "Prior to 1980" was shown separately as of December 31, 2000 and experience for those lines must be combined for proper reporting of data as of December 31, 2001.

Along with the instructions and forms that are being sent is a transmittal letter that must be completed and returned with the submission or resubmission of any call.

All questions should be directed to the Actuarial Department at (215) 568-2371.

GENERAL INSTRUCTIONS:

1. Group Report

Carrier name and the five-digit NAIC carrier code must be shown on the reporting form. If this is a group reporting, each carrier writing compensation must be listed individually on the reporting form. List only the names or carrier codes of those carriers which have direct business during at least one of the accident years for which data is required in a given state.

2. State

This reporting form is for the state of PENNSYLVANIA ONLY.

3. No Experience

State reports should not be submitted for those carriers that have never had experience. In instances where the carrier(s) failed to have experience in one or more, but not all, of the Prior to 1981 - 2001 Accident Years, enter zeroes across the appropriate policy year lines(s) for that state.

4. Complete Submission

A complete call submission must include a transmittal and all four pages. The four pages include data pages 1 - 3 inclusive and the Reconciliation page 4.

5. Reconciliation Requirement

Page 4 of this call must reconcile data reported in this call with pages 2, 3, and 4 of the Policy Year Call. If the data reported on this call does not equal that reported on the Policy Year Call, a detailed explanation for the differences is requested.

6. Rounding Procedure and Reporting of Credits

Please report amounts of losses in WHOLE DOLLARS ONLY. Count fifty cents and over as an extra dollar, and reject the cents if less than fifty. Please show negative amounts enclosed within parentheses so that they may be handled properly in punching and tabulating operations.

7. Accumulated Incurred Losses

For this call it is required to report accumulated total incurred losses by accident year evaluated at December 31, 2001. The call further requires that the accumulated total incurred losses be split into the following components: indemnity losses (separately for paid and for Outstanding excluding IBNR - Case only) and medical losses (separately for paid and for Outstanding excluding IBNR - Case only) for both open and closed claims. The following is a list of definitions to aid in the completion of this call:

Case Reserves - those outstanding reserves established for specific known cases which would be reported in an aggregate amount to reflect the total case reserve for the company. Case reserves should be exclusive of both bulk and IBNR reserves.

Paid Losses - the indemnification paid to the insured or claimant for a claim.

Open Claims - the sum of claims that are still pending (not closed) for a specified policy effective date, accident date, or calendar period.

Closed Claims - closed claims for policy, accident period basis represent the number of claims that were settled for the selected period. The figure is net of reopened claims. Claims are considered closed when it is determined that a payment will not be made on a claim or a final payment is made.

8. Incurred Claim Counts

The incurred claim counts for this call should EXCLUDE CLAIMS CLOSED WITHOUT PAYMENT. Reopened claims should not be added to the claim counts, however, claims can move from open to closed or vice versa with the dollar amounts moving as well.

Indemnity Claim Count - Incurred indemnity claims are those claims for which an indemnity payment has been made and/or an indemnity outstanding reserve exists. These claims are to be reported on page 1, Indemnity Losses Valued as of 12/31/01.

Medical on Indemnity Claim Count - The medical on indemnity claims pertain to those indemnity claims (from page 1) for which some medical payment/reserve was made. These claims are to be reported on page 2, Medical on Indemnity Losses Valued as of 12/31/01.

Medical Only Claim Count - Medical only claims are those claims which have/had no payments/reserves to compensate for lost wages. The payments/reserves should be for medical only. These claims are to be reported on page 3, Medical Only Losses Valued as of 12/31/01.

9. Items Excluded

1. Experience under **Large Deductible Policies** (deductible amount of \$100,000 or more per claim or per accident)
2. **“F” Classification** experience effective January 1, 1974 and thereafter
3. **All Coal Mine** experience
4. **Excess Policy** experience
5. **National Defense Projects** experience written under either the old Comprehensive Rating Plan or the new National Defense Projects Rating Plan
6. Premiums and losses arising from **Reinsurance**

10. Items Included

1. Experience incurred under the **Occupational Disease Act** shall be combined with the traumatic experience under the State

Compensation Act, and the total combined experience shall be reported.

2. **Small deductible** policy (deductible amount **below \$100,000** per claim or per accident) losses are to be reported on a **gross basis** inclusive of the employer paid amount.

The reconciliation page is due and should be sent with the remainder of this call.