

**ANNUAL CALLS FOR EXPERIENCE
FINANCIAL DATA INCENTIVE PROGRAMS
FINANCIAL DATA REPORTING APPLICATION
PENNSYLVANIA & DELAWARE**

This announcement discusses the Bureaus' Calls for Experience and the Pennsylvania Insurance Department's Schedule "W". In addition, revised versions of the Financial Data Incentive Programs (FDIP) for both Pennsylvania and Delaware are enclosed. These documents are also available at the Bureaus' websites.

The final, production version of the FDRA will be released as soon as possible after testing has been completed. At that time a notice will be sent announcing the availability of the FDRA and confirming or, if necessary, modifying the due dates for the Calls.

The enclosed FRDA introductory letters for Pennsylvania and Delaware describe the most significant changes to the FDRA for the reporting of 2002 data during 2003. The revised FDRA Instructions and 2002 FDRA Demo product are also now available to carriers.

IF THESE CALLS HAVE NOT BEEN DELIVERED TO THE PROPER AREA WITHIN YOUR ORGANIZATION, PLEASE DIRECT THEM TO THE APPROPRIATE AREA RESPONSIBLE FOR SUBMITTING THIS DATA TO THE BUREAU.

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

DUE DATES

The **Acknowledgment Form** must be submitted on or before **April 1, 2003**

All other Calls, Forms and Schedule "W" are due at the Bureau on or before **April 15, 2003**.

All Forms, Calls and Schedule "W" are now subject to the Financial Data Incentive Program (FDIP) and must be submitted using the Financial Data Reporting Application (FDRA).

Data reported on the Annual Calls will be incorporated into the Bureau's future filings. It is essential that this experience be reported on or before the required due dates applicable to each Call.

DESIGNATION OF CONTACT PERSON FORM

This package has been sent to each carriers' Designated Contact Person. A form is included on the Bureaus' websites (www.pcrb.com or www.dcrb.com) which can be used to change a carrier's Designated Contact Person.

FINANCIAL DATA INCENTIVE PROGRAM (FDIP)

There have been significant changes to the FDIP, primarily concerning the requirement that all Calls and, for Pennsylvania only, Schedule "W" MUST be reported to the Bureau using the Financial Data Reporting Application (FDRA) and that all Calls are now subject to the provisions of the FDIP. Carriers should read the FDIP and FDIP cover letter for each state carefully to familiarize themselves with the new requirements.

Pennsylvania

As initially announced in Pennsylvania Bureau Circular No. 1326, the FDIP was approved in Pennsylvania effective with the 1996 reporting of Calendar Year 1995 data. The program continues in effect for the 2003 reporting of Calendar Year 2002 data. A copy of the FDIP, dated March 10, 2003, is included in this package.

Delaware

As initially announced in the Delaware Bureau Circular No. 686, the Delaware Governing Board approved the implementation of the Delaware FDIP applicable to the 1997 reporting of Calendar Year 1996 data for selected reports of financial data in Delaware. The program continues in effect for the 2003 reporting of Calendar Year 2002 data. A copy of the FDIP, dated March 10, 2003, is included in this package.

CHANGES FROM PRIOR ANNUAL CALLS

The summary below is intended to help carriers identify the major changes to the Financial Calls. Other changes have been made to clarify instructions or eliminate typographical errors. However, it is each carrier's responsibility to read and understand the Financial Calls and instructions before completing them. The most significant changes include the following:

1) Elimination of the following Calls:

- a) #3 Policy Year Call for "F" Classification Experience
- b) #6 Delaware Call for Small Deductible Experience
- c) #7 Pennsylvania Call for Accident Year Experience

2) Addition of Catastrophe (Code 48) Experience Call #15

The Call formalizes a special Call that was distributed last year (Pennsylvania Circular # 1436 dated February 8, 2002 and Delaware Circular # 756 dated February 8, 2002) for the reporting of experience associated with the events of September 11, 2001.

3) Designated Statistical Reporting Levels

Pennsylvania Designated Statistical Reporting Levels have been updated to reflect loss costs effective April 1, 2002. Delaware Statistical Reporting Levels have

been updated to reflect loss cost and residual market rates effective through December 1, 2002.

4) Line A on Policy Year Calls #1, #8 and #9 & Column (3) on Schedule "W" Parts B and C Changed

Calls will collect underwriting experience for 20 full policy/accident years (1982 - 2001) and for the incomplete Policy Year 2002 valued as of December 31, 2002. Experience for all policy years prior to 1982 should be accumulated and shown on Line (A) "Prior to 1982" of the Call. Note that experience for Policy Year 1981 and policy years "Prior to 1981" was shown separately as of December 31, 2001, and experience for those lines must be combined for proper reporting of data as of December 31, 2002.

5) All Pennsylvania and Delaware Calls and Forms and Pennsylvania Schedule "W" MUST now be submitted to the Bureau via the FDRA.

The Financial Data Reporting Application (FDRA) is an internet-based system that allows carriers to enter, edit and submit Financial Calls and Schedule "W" (Calls) subject to the Financial Data Incentive Program (FDIP) to the Bureaus.

IF YOU ARE UNABLE TO ACCESS THE INTERNET, PLEASE CONSULT THE ENCLOSED FDIP FOR INSTRUCTIONS REQUESTING AUTHORIZATION TO USE AN ALTERNATIVE REPORTING MECHANISM, AND CONTACT THE BUREAU AS SOON AS POSSIBLE. BE MINDFUL THAT IT IS THE CARRIERS' RESPONSIBILITY TO NOTIFY THE BUREAU OF ANY PROBLEMS THAT MAY ARISE IN ACCESSING THE FINANCIAL CALL PACKAGE OR FDRA.

FINANCIAL DATA REPORTING APPLICATION AND INSTRUCTIONS

The FDRA is an Internet-based system that allows carriers to enter, edit and submit Forms, Calls and Schedule W subject to the FDIP to the Bureau and the Pennsylvania Insurance Department. The FDRA is a system 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.

The final, production version of the FDRA will be released as soon as possible after testing has been completed. At that time a notice will be sent announcing the availability of the FDRA and confirming or, if necessary, modifying the due dates for the Calls.

The enclosed FDRA introductory letters for Pennsylvania and Delaware describe the most significant changes to the FDRA for the reporting of 2002 data during 2003.

Carrier's can and should familiarize themselves with the 2002 FDRA by using the FDRA Demo which is available and described below, and by reviewing the FDRA Carrier User's Guidebook.

An FDRA Carrier User's Guidebook is available on the Bureau's website and also accessible via the "Help" feature within the FDRA and the FDRA Demo Product. Before using the FDRA it is strongly recommended that you read through the entire FDRA Carrier User's Guidebook. The guidebook discusses the application's features and layout and provides helpful hints on how to complete the Calls contained within it.

FDRA DEMONSTRATION PRODUCT (Demo)

A FDRA demonstration product is now available to all carriers, reflecting changes made to the FDRA for the reporting of 2002 data during 2003. The Bureau strongly urges carriers to use the FDRA Demo so that they are familiar with the FDRA prior to submitting their actual data.

The FDRA Demo is based on the original application and is populated with contrived data. The Demo allows carriers to navigate through the various Forms, Calls and Schedule W that will be supported by the product and run edits on these Calls. The FDRA Demo provides carriers with two alternatives for familiarizing themselves with the application. The carrier can practice on the blank Calls or import the contrived data included in the Demo. Either approach will allow carriers to become acquainted with the general layout and features of the FDRA. Note the Demo FDRA will not allow carriers to save or submit data so a carrier can practice worry-free of submitting data or corrupting the system. Once a carrier logs out, the FDRA Demo will reset itself back to the original FDRA Demo format.

Carriers can access the FDRA Demonstration product by going directly to the FDRA Demo website, www.demopcrb.pragmatix.com or via a link located on the Bureaus' websites www.pcrb.com and/or www.dcrb.com.

All carriers will access the Demo by using the same User ID and Password. **The Demo User ID is *mdemo* and the password is *password*.** Carriers should read through the FDRA User's Guidebook and the enclosed FDRA Demonstration Product Overview in their entirety before using the FDRA Demo.

Important: Because the Demo is intended as a learning tool, certain features such as Import, Save and Submit are not included in the Demonstration Product. Additional differences between the FDRA and the Demo are discussed in the FDRA Demonstration Product Overview included in this mailing. The final version of the FDRA will include these features.

FDRA User ID's and Passwords Confirmation

All carriers are required to have a completed FDIP/FDRA Designation of Contact Person Form filed with the PCRB/DCRB. The Contact Person acts as a contact between his/her employer, the Bureaus and the Department for purposes of coordinating and accomplishing timely and accurate submission of financial data for all carriers included within the indicated group. Carriers also must choose User ID's and Passwords for the FDRA.

Please be advised that submission of the 2001 Contact Form established documentation of contact person information. Therefore, all subsequent changes regarding the contact person, address, phone number, FDRA User ID and Passwords must be sent to the Bureau in writing so we may update our records. Changes also include disabling a user.

If a carrier forgets their password they must contact the Bureau. The Bureau will then provide the contact person with the relevant information via electronic mail.