



Pennsylvania Compensation Rating Bureau

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March 15, 2005

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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 Financial Data Reporting Application (FDRA) is now available for carrier use in the completion of Pennsylvania and Delaware 2004 Financial Calls, Forms and Pennsylvania Schedule "W."

The direct website address for the FDRA is: <https://www.pcrbdata.com/carriergroup>. This website can also be accessed via a link on the Bureaus' websites at www.pcrb.com or www.dcrb.com, using the path Data Reporting / Financial Data Reporting. Please note that the Bureau's "Application Login" feature on the website does not provide access to the FDRA. The FDRA application must be accessed separately using User IDs and passwords specific to the FDRA as assigned when a carrier submits the FDIP Designation of Contact Form.

The enclosed FDRA introductory letters for Pennsylvania and Delaware describe the most significant changes to the FDRA for the reporting of 2004 data during 2005. The revised FDRA Instructions and 2004 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** and Annual Statement **Statutory Page 14** must be submitted on or before **April 8, 2005**.

All other Calls, Forms and Schedule "W" are due at the Bureau on or before **April 15, 2005**.

All Forms, Calls and Schedule "W" are 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 Bureaus' 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 notice announcing the availability of the FDRA and Call package for the reporting of 2004 data during 2005 has been sent to each carrier's Designated Contact Person. A form is included on the Bureaus' websites (www.pcrb.com or www.dcrb.com) that can be used to change a carrier's Designated Contact Person.

FINANCIAL DATA INCENTIVE PROGRAM (FDIP)

Significant changes to the FDIP, primarily concerning the change in due date for the Acknowledgement Form and the Annual Statement Statutory Page 14, the addition of Call #10 and the realignment of Calls into entities for the purpose of assessing late reporting fees, are outlined in the enclosed cover letter to 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 2005 reporting of Calendar Year 2004 data. A copy of the FDIP, dated March 15, 2005, 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 2005 reporting of Calendar Year 2004 data. A copy of the FDIP, dated March 15, 2005, 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) Addition of Call #10 – Indemnity Claim Experience

The Indemnity Claim Experience Call #10 has been added and will allow the Bureau to measure the impact on loss development of changes in reserving for claims using Pension Tables that were revised during 2004.

2) Designated Statistical Reporting Levels

Pennsylvania Designated Statistical Reporting Levels have been updated to reflect loss costs effective April 1, 2004. Delaware Statistical Reporting Levels have been updated to reflect loss cost and residual market rates effective through December 1, 2004.

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

Calls will collect underwriting experience for 20 full policy/accident years (1984 - 2003) and for the incomplete Policy Year 2004 valued as of December 31, 2004. Experience for all policy years prior to 1984 should be accumulated and shown on Line (A) "Prior to 1984" of the Call. Note that experience for Policy Year 1983 and policy years "Prior to 1983" was shown separately as of December 31, 2003, and experience for those lines must be combined for proper reporting of data as of December 31, 2004.

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 enclosed FDRA introductory letters for Pennsylvania and Delaware describe the most significant changes to the FDRA for the reporting of 2004 data during 2005.

Carriers can and should familiarize themselves with the 2004 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 Bureaus' websites 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.

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.

FDRA DEMONSTRATION PRODUCT (Demo)

A FDRA demonstration product is now available to all carriers, reflecting changes made to the FDRA for the reporting of 2004 data during 2005. 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 Demo 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. using the path Data Reporting / Financial Data Reporting. Please note that users accessing the FDRA through the DCRB/PCRB website should not use the "Application Login" section of the website as the FDRA is an entirely separate section of the website with User IDs and passwords specific to the FDRA as assigned when a carrier submits the FDIP Designation of Contact Form.

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 Carrier User's Guidebook and the FDRA Demo 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 Demo Product. Additional differences between the FDRA and the Demo are discussed in the FDRA Demo Product Overview.

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 Pennsylvania Insurance 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 carrier with the relevant information via electronic mail. For security reasons the Bureau will only send this information to the carrier contact person.



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March 15, 2005

To All Members of the Bureau:

Re: **FINANCIAL DATA REPORTING APPLICATION**

The final version of the Financial Data Reporting Application (FDRA) for the reporting of Pennsylvania financial data submissions of 2004 experience to be reported during 2005 is now available.

A complete updated copy of the 2004 FDRA Carrier Users Guidebook is available along with the 2004 FDRA Demo and may be accessed via the Bureau's Internet website at www.pcrb.com using the path Data Reporting / Financial Data Reporting. Please note that the Bureau's "Application Login" feature on the website does not provide access to the FDRA. The FDRA application must be accessed separately using User IDs and passwords specific to the FDRA as assigned when a carrier submits the FDIP Designation of Contact Person Form.

The FDRA for 2004 **must** be used to report the following data submissions:

- Acknowledgement Form
- Policy Year Call No. 1
- Large Claim Call No. 4
- Net (As Written) Large Deductible Call No. 8
- Gross (First Dollar) Large Deductible Call No. 9
- Indemnity Claim Experience Call No. 10
- Calendar Year Expense Call No. 14
- Catastrophe (Code 48) Experience Call No. 15
- 2004 Pennsylvania Special Schedule "W"
- Statutory Page 14

Carriers that are unable to report their experience using the FDRA should refer to the Financial Data Incentive Program (FDIP) for an alternative reporting mechanism.

The most significant changes to the application are as summarized below:

- The due date for the Acknowledgment Form and the Annual Statement Statutory Page 14 has been changed to April 8, 2005.
- The Indemnity Claim Experience Call #10 has been added to the FDRA and will allow the Bureau to measure the impact on loss development of changes in reserving for claims using Pension Tables that were revised during 2004.
- Edits have been introduced for the new Call #10. Edits have also been added to existing Calls primarily covering the following areas: 1) to better monitor carriers' statements that they have no data to report, 2) to enhance the review of TRIA reporting, 3) to add comparisons between Call #1 and Schedule "W" where common fields should be equal, 4) Call #1 edits relating to questions concerning reserve discounting have also been added to Calls #8, and #9. Some edits have been discontinued. In addition, certain edits have been modified primarily for the sake of clarity.
- Additional changes have been made to the FDRA in the interest of clarity and to reflect mechanical changes in the Call forms.

Due Dates: The Acknowledgement Form and Statutory Page 14 are due to be reported on or before April 8, 2005. All other submissions are due on or before April 15, 2005.

Timothy L. Wisecarver
President