



Pennsylvania Compensation Rating Bureau

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March 31, 2006

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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 2005 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 2005 data during 2006. The revised FDRA Instructions and 2005 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** for both Pennsylvania and Delaware must be submitted on or before **April 17, 2006**.

All other Calls, Forms and Schedule "W"

For **Delaware**, all other Calls and Forms are due at the Bureau on or before **April 24, 2006**.

For **Pennsylvania**, all other Calls, Forms and Schedule "W" are due at the Bureau on or before **May 15, 2006**.

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 2005 data during 2006 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 and the deletion of Call #10 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 2006 reporting of Calendar Year 2005 data. A copy of the FDIP, dated March 31, 2006, 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 2006 reporting of Calendar Year 2005 data. A copy of the FDIP, dated March 31, 2006, 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) Deletion of Call #10 – Indemnity Claim Experience

The Indemnity Claim Experience Call #10 will not be required for the 2006 reporting year.

2) Designated Statistical Reporting Levels

Pennsylvania Designated Statistical Reporting Levels have been updated to reflect loss costs effective April 1, 2005. Delaware Statistical Reporting Levels have been updated to reflect loss cost and residual market rates effective through December 1, 2005.

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 (1985 - 2004) and for the incomplete Policy Year 2005 valued as of December 31, 2005. Experience for all policy years prior to 1985 should be accumulated and shown on Line (A) "Prior to 1985" of the Call. Note that experience for Policy Year 1984 and policy years "Prior to 1984" was shown separately as of December 31, 2004, and experience for those lines must be combined for proper reporting of data as of December 31, 2005.

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 2005 data during 2006.

Carriers can and should familiarize themselves with the 2005 FDRA 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. 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 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 31, 2006

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 2005 experience to be reported during 2006 is now available.

A complete updated copy of the 2005 FDRA Carrier Users Guidebook is available along with the 2005 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 2005 **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
- Calendar Year Expense Call No. 14
- Catastrophe (Code 48) Experience Call No. 15
- 2005 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 10, 2005.
- The Indemnity Claim Experience Call #10 has been removed from the FDRA.
- 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 for both Pennsylvania and Delaware are due to be reported on or before April 17, 2006. All other Delaware Calls are due on or before April 24, 2006. For Pennsylvania, all other Calls and Schedule "W" are to be reported on or before May 15, 2006.

Timothy L. Wisecarver
President

FDRA-PA2005-covermemo.doc