

Delaware Compensation Rating Bureau, Inc.



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BUREAU CIRCULAR NO. 730

To All Members of the Bureau:

Re: **DEPARTMENT OF INSURANCE EXAMINATIONS**
CARRIER RETENTION AND RETRIEVAL OF RECORDS UPON REQUEST

The Bureau has received a Report of Examination of the DCRB as of December 31, 1997 which was done by the State of Delaware Department of Insurance. Members are informed that the report concludes as follows:

...the primary focus of this examination was a determination of the accuracy of the Bureau's statistical data upon which rates for Workers' Compensation Insurance in Delaware are based. The examination found no exceptions in this area. The Bureau is properly performing the functions as provided by its By-laws.

While the Bureau is gratified by the affirmative conclusion of the Examination Report, members are further advised that the report also recommends as follows:

It is recommended that the Bureau instruct its members to maintain the supporting documentation in such a manner that it can easily be accessed for review in further examinations.

The Department of Insurance has regularly included a sampling review of carriers' supporting documentation for unit statistical reports previously submitted to the Bureau. Such sampling reviews involve requests to carriers that they provide supporting documentation for specified unit statistical reports selected by the examiners and that such information be made available by the carriers at a branch office or other similar location proximately located to the Bureau's offices in Philadelphia. Typically, each carrier included in this sampling process will be asked to provide documentation for two to four dozen selected unit statistical reports, with the average request in the most recent examination being 30 reports.

The above recommendation arises from circumstances encountered during each of the last two Department of Insurance examinations of the Bureau in this regard, in which carriers experienced difficulties locating and/or securing some files and related documentation requested for such purposes.

All Bureau members must be aware that, when a Department of Insurance examination includes sampling of carrier data, any information not found and/or not provided is treated as an exception for purposes of that examination. Accordingly, it is imperative that all members be able to respond constructively and promptly to any examination requests. To assist members in planning accordingly, the following guidelines are provided:

Type of Information Needed: Supporting records and documentation for premium and loss information submitted to the DCRB on unit statistical reports.

Period of Time Records Should be Retained and Accessible: Members should retain reasonable access to supporting records and documentation for first level unit reports according to the schedule shown below:

Calendar Year of Record Request	Policy Effective Dates for Unit Statistical Reports on Which Supporting Records & Documentation Must Be Retained and Accessible
2000	January 1, 1997 and Later
2001	January 1, 1998 and Later
2002	January 1, 1999 and Later
2003	January 1, 2000 and Later
2004	January 1, 2001 and Later
2005	January 1, 2002 and Later
Etc.	Etc.

Appropriate Response Time for Production of Records Upon Request by Examiners:

The DCRB and the Department of Insurance recognize the vagaries of locating and delivering supporting files for selected unit statistical reports which may initially be stored in various company and/or off-site vendor locations. However, the Department of Insurance will require that all requested documentation be made available for their inspection not later than 45 days after the carrier receives the Department's request for same.

Questions in regard to this Circular may be directed to Bruce E. Decker, Vice President - Public Information and Statistical Reporting, at Extension 223 or by e-mail at bdecker@dcrb.com or to me at Extension 210 or by e-mail at twisecarver@dcrb.com.

Timothy L. Wisecarver
President

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