



## Pennsylvania Compensation Rating Bureau

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### PENNSYLVANIA AND DELAWARE CALL FOR EXPERIENCE #10

#### CALL FOR INDEMNITY PENSION CLAIM EXPERIENCE, VALUED AS OF DECEMBER 31, 2000- DUE APRIL 2, 2001

The Pennsylvania Insurance Department and the Delaware Insurance Department have approved the use of revised pension tables effective on a mandatory basis July 1, 2001 for evaluating death and permanent total indemnity claims. The pension tables are periodically updated to incorporate various provisions, and this revision adopts recent changes in pension table values in use in other jurisdictions nationally. The “new” tables are based on the 1989-1991 U.S. Decennial Life Tables. The tables reflect a discount for interest at 3.5 percent. Copies of the new tables are published in Pennsylvania Circular #1408 and Delaware Circular #736. The “old” tables are based on 1979-1981 U.S. Decennial Life Tables, also at 3.5 percent interest.

The purpose of the this Call is to allow the Bureau to measure the impact on loss development of changes in the pension tables used to evaluate indemnity pension claims generally limited to death or permanent total claims. This will be done by collecting indemnity pension claim information for claims which are evaluated on a tabular basis with open reserves as of December 31, 2000.

All carriers must complete the questionnaire on page 1. The questionnaire on page 1 of this Call will determine whether a carrier must complete page 2 of this call.

Page 1 of this Call identifies several conditions which, if met, require completion of page 2 of the Call.

- 1) The company must have open indemnity pension claims (generally death or permanent total) as of December 31, 2000.
- 2) The indemnity case reserve must be reserved on a tabular basis, i.e., reflect a discount for interest at 3.5 percent.
- 3) The indemnity case reserves for these claims must be based on the “new” pension tables reflecting 1989-1991 U.S. Decennial Life Tables evaluated at 3.5 percent interest or based on the “old” tables reflecting the 1979-1981 U.S. Decennial Life Tables evaluated at 3.5 percent interest.
- 4) The indemnity case reserves calculated using the pension tables must be included in the indemnity case reserves included in Call #1 or Call #9.

If a carrier meets the above criteria, then it will be necessary to complete page 2.

The data fields required include information on individual claims and include claim #, policy effective date, the date of accident and additional information as defined below.

#### Column (4) - Type of Injury

01 - Death

02 - Permanent Total Disability

03 - Other

Column (5) - Age of Beneficiary

Provide the age of the primary beneficiary as of the date when the claim was last evaluated on a tabular basis and consistent with the reserve carried as of December 31, 2000.

For non-fatal cases the primary beneficiary will generally be the claimant. For fatalities, the primary beneficiary is the person most likely to receive benefits for the longest period.

Column (6) - Sex of Beneficiary

Provide the sex of the primary beneficiary as determined for Column (5).

Column (7) - Total Weekly Benefit

Provide the total weekly benefit provided to or on behalf of all the beneficiaries for the claim.

Column (8) - Pension Table Code

N - For claims reserved as of December 31, 2000 using the 1989 -1991 US Decennial Life Tables at 3.5 percent interest which became effective on a mandatory basis July 1, 2000.

O - For claims reserved as of December 31, 2000 using the 1979 -1981 US Decennial Life Tables at 3.5 percent interest.

Claims reserved on a basis not using either of the above two tables should not be included in Call #10.

Column (9) - Unpaid Reserve at December 31, 2000

Provide the case outstanding, excluding bulk reserves, as of December 31, 2000 for the claim.

Column (10) - Coverage Code

01 - Losses under All Workers' Compensation Experience EXCEPT the following:

“F” Classification, Coal Mine, Excess Policies, Reinsurance, National Defense Projects, Large Deductible Policies, etc. as described in Call #1.

02 - Losses under Large Deductible Policies (Report all information prior to credit for reimbursable amounts.)

Included is a copy of the reporting form for the required information. Since a separate form is required for each state, carriers are asked to reproduce these forms and to provide the appropriate state name and state code on each form.

Please report all amounts in WHOLE DOLLARS ONLY.

**Note: 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.