



Pennsylvania Compensation Rating Bureau

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Page 1 of 2

PENNSYLVANIA AND DELAWARE
CALL FOR EXPERIENCE #13

POLICY YEAR CALL FOR CAPITATED MEDICAL EXPERIENCE BY STATE VALUED AS OF
DECEMBER 31, 2000 - DUE MARCH 15, 2001

In accordance with the approved statistical program you are hereby requested to file with the Bureau on or before March 15, 2001, your compensation experience by policy year valued as of December 31, 2000.

This call requests additional information on those policy year medical incurred losses which you are required to report to the Bureau in Call for Experience #1. Please reference this call for definitions and specific exclusions.

Companies with Capitated Medical experience are asked to report accumulated total incurred losses for this experience split into the following components: paid, case and IBNR (including bulk reserves), total contract medical losses and total non-contract medical losses.

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.

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

A. GENERAL INSTRUCTIONS:

1. Group Report

Carrier name and the five-digit NAIC carrier code must be shown on the reporting form. If this is a group reporting, each carrier writing compensation must be listed individually on the reporting form. Carriers are requested to submit this call on the same basis (i.e., group report or individual company report) as Calls #1, #5, #8 and #9 and Schedule "W" (Pennsylvania only). List only the names and carrier codes of those carriers which have **direct business** during at least one of the policy years for which data is required in a given state.

2. State

List both the name of the state and the state code number on each state's reporting form. Only one state per reporting sheet is allowed.

3. **Accumulated Policy Year Losses for Capitated Medical**

Companies with Capitated Medical experience are asked to report accumulated total incurred losses for this experience split into the following components: Paid, case and IBNR (including bulk reserves) in columns (1), (2) and (3). They are also asked to report the total Non-Contract Medical (paid plus case plus bulk plus IBNR) losses in column (5). The sum of the total Contract Medical losses (column (4)) and the total Non-Contract Medical losses are reported in column (6). This should be equal to the total medical incurred losses reported on the Policy Year Call (the sum of columns (10), (12) and (14) on Call #1).

The total contract price should be reported as a medical loss. Any bonus or return-to-work incentive paid by the data provider to the medical care provider should also be included in the contract price. Report as medical loss any additional amounts that the data provider pays for medical care not covered by the contract. In addition, reserves should be established and reported for medical care not covered by the contract.

The medical contract amount should be allocated to policy year based on exposure to loss or some other reasonable method. The contract amount may be reported as paid, case incurred, or IBNR, as appropriate.

This call asks for the contract price rather than any "fee-for-service" equivalents because the contract price is the actual cost to the data provider. Using the contract price in the rate level implies that the loss costs or rates will reflect the impact of the use of medical care contracts.

B. **SPECIFIC INSTRUCTIONS**

Similar to the Policy Year Call the following items should be excluded:

1. "F" Classification Experience
2. Coal Mine Experience
3. Excess Policies
4. National Defense Projects
5. Large Deductible Experience

This call should include experience from assigned risk policies and should be on a direct basis with regard to reinsurance.

Please note that the date for reporting this data is on or before March 15, 2001. It is urged that every effort be made to comply with this reporting date, as a delay in receiving this data will seriously hamper the Bureau in its preparation of filings.