



Pennsylvania Compensation Rating Bureau

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ANNUAL CALLS FOR EXPERIENCE FINANCIAL DATA INCENTIVE PROGRAMS PENNSYLVANIA & DELAWARE

The Bureaus' Calls for Experience and the Pennsylvania Insurance Department's Schedule "W" are now available for access on the Bureaus' websites - www.pcrb.com or www.dcrb.com. 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.

On October 29, 2001 a Designation of Contact Person Form was distributed to all carriers. That release also announced the Bureau's intention to provide carriers with a Financial Data Reporting Application (FDRA), which is an internet-based application designed for the submission of all Calls and Schedule "W" subject to the FDIP. On January 16, 2002 an announcement was issued to all carriers that a demonstration version of the FDRA was available for use.

The completed FDRA product is now available for carrier use and can be accessed through the Financial Data Reporting section of the Bureaus' websites. Verification of carrier IDs and passwords for access to the FDRA were sent to carrier contact persons on February 6, 2002.

The FDRA must be used for submission of the following:

Acknowledgment Form	PA and DE
Call #1 - Policy Year Call for Compensation Experience	PA and DE
Call #2 - Calendar Year Expense Data Call	DE only
Call #8 - Net (As Written) Large Deductible Policy Year Call	PA and DE
Call #9 - Gross (1st Dollar) Large Deductible Policy Year Call	PA and DE
Call #12 - Assigned Risk Policy Year Call	DE only
Schedule "W"	PA only
Exhibit of Premiums and Losses (Statutory Page 14) - Page 24 of the Annual Statement	PA and DE

The Calls listed below are also required although they are not supported by the FDRA at this time and are not subject to the provisions of the FDIP. Submission of these Calls must be in hard-copy format.

Call #3 - "F" Classification Policy Year Call for Compensation Experience	PA and DE
Call #4 - Large Claim Experience By Policy Year	PA and DE
Call #6 - Small Deductible Experience by Policy Year	DE only
Call #7 - Accident Year Call	PA only
Call #14 - Calendar Year Expense Call	PA only

Forms for the non-FDRA Calls can be found and printed at the Bureaus' websites. Instructions for all Calls and Schedule "W" are also available at the Bureaus' website.

The Acknowledgment Form must be submitted to the Bureau on or before February 28, 2002. All other Calls and Schedule "W" are due at the Bureau on or before April 15, 2002. Data reported on these 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.

The Bureaus are offering limited attendance FDRA training seminars on March 7 and March 12, 2002. An announcement bulletin and registration form are enclosed and should be completed and returned as soon as possible by interested parties.

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.

ACKNOWLEDGMENT FORM

The Acknowledgment Form must be accessed and submitted using the FDRA. Carriers are required to submit the Acknowledgment Form by February 28, 2002. Failure to do so will subject carriers to late submission fees as described in the FDIP.

NO EXPERIENCE TO REPORT VERIFICATION FORM (*HARD COPY PROVIDED*)

The No Experience to Report Verification Form is no longer provided or required for any of the Calls.

DESIGNATION OF CONTACT PERSON FORM

This package has been sent to each carriers' Designated Contact Person. A form is included on the Bureaus' websites (www.pcrb.com or www.dcrb.com) which can be used to change a carrier's Designated Contact Person.

FINANCIAL DATA INCENTIVE PROGRAM (FDIP)

There have been significant changes to the FDIP, primarily concerning the requirement that all Calls and, for Pennsylvania only, Schedule "W" MUST be reported to the Bureau using the Financial Data Reporting Application (FDRA). 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 2002 reporting of Calendar Year 2001 data. A copy of the FDIP, dated February 14, 2002, 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 2002 reporting of Calendar Year 2001 data. A copy of the FDIP, dated February 14, 2002, 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 before completing them. The most significant changes include the following:

1) Elimination of the following Calls:

- a) #5 PA Reconciliation Report Call - the comparisons within Call #5 have been incorporated as edits into the FDRA.
- b) #10 Call for Indemnity Pension Claim Experience
- c) #13 Policy Year Call for Capitated Medical Expenses

2) Designated Statistical Reporting Levels

Pennsylvania Designated Statistical Reporting Levels have been updated to reflect loss costs effective April 1, 2000. Delaware Statistical Reporting Levels have been updated to reflect loss cost and residual market rates effective March 1, 2001 and December 1, 2001.

Pennsylvania and Delaware Designated Statistical Reporting Levels for U. S. L. & H. business are also shown, although these were unchanged during 2001 in both states.

3) Line A on Policy Year Calls (#1, #3, #8, and #9) and Accident Year Call (#7) Changed

Calls will collect underwriting experience for 20 full policy/accident years (1981 - 2000) and for the incomplete Policy Year 2001 valued as of December 31, 2001. Experience

for all policy years prior to 1981 should be accumulated and shown on Line (A) "Prior to 1981" of the Call. Note that experience for Policy Year 1980 and policy years "Prior to 1980" was shown separately as of December 31, 2000, and experience for those lines must be combined for proper reporting of data as of December 31, 2001.

- 4) **The Acknowledgment Form, Pennsylvania Calls #1, #8, #9, Schedule "W", and the Pennsylvania Exhibit of Premiums and Losses (Statutory Page 14) and Delaware Calls #1, #2, #8, #9, #12 and the Delaware Exhibit of Premiums and Losses (Statutory Page 14) MUST now be submitted to the Bureau via the FDRA.**

The Financial Data Reporting Application (FDRA) is an internet-based system that allows carriers to enter, edit and submit Financial Calls and Schedule "W" (Calls) subject to the Financial Data Incentive Program (FDIP) to the Bureaus.

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.