



March 31, 2006

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DELAWARE  
CALL FOR EXPERIENCE #2

CALL FOR 2005 DELAWARE CALENDAR YEAR EXPENSE DATA - DUE APRIL 24, 2006

In accordance with the approved statistical program you are hereby requested to file with the Bureau on or before April 24, 2006 your Workers' Compensation expense data for Calendar Year 2005. **Data reported in this Call is subject to the Financial Data Incentive Program(FDIP) and must be submitted using the Financial Data Reporting Application (FDRA).**

This call reports this information by individual member carrier or by group as was established on the Designation of Contact Person Form.

Experience developed under deductible policies should be included in this Call and reported on a net (as written) basis. Premium and losses should be consistent with amounts reported in the Annual Statement.

The reconciliation report of this call (Sheet #3) will be completed by automatically pulling the necessary entries from Sheets #1 and #2 of this Call and from Statutory Page 14.

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

**SPECIFIC INSTRUCTIONS**

1. **Direct Net Written Premiums**

To agree with Statutory Page 14.

2. **Direct Net Earned Premiums**

To agree with Statutory Page 14.

3. **Premium Discount Adjustments, Retrospective Rating Adjustments, Premium Deviation and Loss Cost Multiplier Adjustments, Premium Schedule Rating Adjustments, Merit Rating Adjustments, Delaware Workplace Safety Credit Adjustments.**

Include all Calendar Year adjustments actually made in 2005 for risks rated under the various plans noted above. Adjustments that decrease premium such as Deviations and Premium Discounts, should be entered as positive amounts, while adjustments that increase premium such as Loss Cost Multiplier (above 1.00) should be entered as negative amounts.

Note the Delaware Workplace Safety Program adjustment line should only include credits earned on policies effective on or after July 1, 1999.

4. **Direct Standard Earned Premiums**

This shall be the entire earned premiums for Delaware resulting from standard rating procedures prior to the application of premium discounts, prior to any applicable expense modification program, prior to application of any schedule rating modification, rate deviations, loss cost multiplier adjustments, Delaware Workplace Safety Program\*, merit rating, and payment of policyholder dividends, and excluding any retrospective rating adjustments.

\*Note: the Delaware Workplace Safety Program premium adjustment should only be included on Line 3(F) for policies effective on or after July 1, 1999. Policies effective prior to July 1, 1999 should be excluded from this line.

5. **Premium Adjustments for Deductible Coverages & Terrorism Risk Insurance Act**

**(5A) – (5D)** Enter the amount of premium credit given for deductible policies. Standard basis refers to Standard Premium at Bureau Designated Statistical Reporting levels as described in Item #4 above. These adjustments are not included in Line 2.

A Large Deductible program consists of deductible amounts equivalent to or in excess of \$100,000. Deductible amounts for a Small Deductible program must be less than \$100,000.

**(5E) – (5F)** Enter the amount of premium charge given for coverage under the Terrorism Risk Insurance Act. These adjustments for the Terrorism Risk Insurance Act are already included in Line 2; however, we require the separate identification of these figures for bureau purposes.

6. **Direct Acquisition, Field Supervision, and Collection Expenses Incurred**

A. Commission and Brokerage

Show amounts of Commission and Brokerage expenses incurred on the state's business, reflecting the Commission and Brokerage rates, subject to the Rules in Regulation 30.

B. All Other

i. Branch Office - Delaware's Share

Show actual expenses if you maintain an office within Delaware that processed only Delaware business. Allocation by line of insurance must be made in accordance with Regulation 30. If you maintained a regional branch office in Delaware or any other state that processed Delaware's business along with business of other

states, use the actual branch office expenses and determine Delaware portion by appropriate allocation.

- ii. Home Office - Delaware's Share

Determine by appropriate allocation.

**7. Direct Losses Net of Deductibles**

Both paid and incurred losses are actual amounts. Incurred losses should agree with Statutory Page 14. Incurred losses should be reported reduced by the amount of deductible recovered, if any.

**8. Direct Unallocated Loss Adjustment Expense**

Determine by appropriate allocation if Delaware's actual data is not available.

**9. Direct Allocated Loss Adjustment Expenses**

Determine by appropriate allocation if Delaware's actual data is not available.

(Note: Report actual amounts for paid allocated loss adjustment expense).

**10a. Direct Boards and Bureaus Expense**

Determine all fees paid to Boards and Bureaus by appropriate allocation if Delaware's actual data is not available.

**10b. Direct Audit, Inspection and Other General Expenses**

This item includes all General Expenses other than Boards and Bureaus Expense. Determine by appropriate allocation if Delaware's actual data is not available.

**11. Direct Taxes, Licenses, and Fees**

Show Delaware's actual data. This item includes the appropriate Delaware Premium Tax, Miscellaneous Taxes, Licenses and Fees.

**12. Reimbursed Deductible Losses**

Show the amount of employer paid losses for deductible coverages.

Definitions for Large and Small Deductible programs are consistent with those found on Page 2 under the Premium Adjustments for Deductible Coverages section.

**13. Type of Insurer**

Please identify carrier in accordance with the following table:

N = Non-Participating Stock Companies  
 P = Participating Stock Companies  
 M = Mutual Companies  
 R = Reciprocal Exchanges  
 F = State Funds  
 X = Miscellaneous Companies

Note: If this report is for a group with both participating and non-participating stock companies, please indicate the predominant type of insurer.

**14. Rounding Procedure and Reporting of Credits**

Please report amounts of premiums and losses in **WHOLE DOLLARS ONLY**. The FDRA will not allow cents to be entered onto the form. If the values are not entered as whole dollars, the application will automatically count fifty cents and over as an extra dollar, and reject the cents if less than fifty. Negative amounts must have a negative sign in front of the number being entered.

**15. Allocation Codes**

Method of determining reported expense. Below is a table of allocation codes. For each item allocated, enter the code number of the basis which best describes the method used. Where none of the listed bases are suitable, enter code number 7, and include an explanation of the method used, utilizing the "comment" feature within the FDRA. Exactly one code number should be entered in the appropriate box for each of the items 6A, 6Bi, 6Bii, 8, 9, 10A, 10B, and 11 if paid or incurred expenses have been entered on the respective lines.

Please use Actual Expenses (code number 1) whenever possible.

<u>Allocation Code</u>	<u>Allocation Basis</u>
1	Actual Expenses
2	Written Premium
3	Earned Premium
4	Losses
5	Salaries
6	Time Studies
7	Other, please explain using comment feature.

**16. Sheet #3 - Reconciliation**

This sheet is to certify the reconciliation of the data reported to the Bureau on Calls #1 and #2 with the

data reported on Statutory Page 14.

Please note that the information requested from the Delaware Call #1 can be found on Page 5 of Call #1 (Reconciliation), Line 11.

The applicable Delaware Call #1 and Statutory Page 14 data will be automatically pulled to this page once these Calls have been saved. A text box is provided in the event an explanation of differences is needed.

Please note that the due date for reporting this data is on or before April 24, 2006. 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.