



Pennsylvania Compensation Rating Bureau

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Page 1 of 2

PENNSYLVANIA
CALL FOR EXPERIENCE #5

2000 CALENDAR YEAR RECONCILIATION OF PENNSYLVANIA SPECIAL SCHEDULE
“W” WITH 2000 FINANCIAL CALLS - DUE APRIL 16, 2001

In accordance with the approved statistical program, you are hereby requested to file with the Bureau on or before April 16, 2001 a reconciliation of data reported on Calls for Experience #1, #8, and #9 to the 2000 Schedule “W”.

Please note that Call #5 pertains to Pennsylvania only.

Attached are the following:

- 1) Transmittal letter for the submission or resubmission of Call #5.
- 2) Transmittal letter for the submission or resubmission of the Pennsylvania Special Schedule “W”.
- 3) Reporting form for the reconciliation of Bureau Financial Calls with the 2000 Pennsylvania Special Schedule “W” on a calendar year basis.
- 4) Request for a copy of Pennsylvania Special Schedule “W” both on diskette and hard copy. (Note: Revisions must be submitted both on diskette and hardcopy.)
- 5) Reporting forms for the reconciliation of Bureau Financial Calls with the 2000 Pennsylvania Special Schedule “W” on a policy year basis.
- 6) A Statement of Consistency and Comparability for Pennsylvania.

Pennsylvania Call for Experience #5 includes a reconciliation of Calls #1, #8, and #9 with Schedule “W”. Call #5’s due date is April 16, 2001. The due date is consistent with the Bureau’s assumption of a Schedule “W” due date of April 16, 2001 and the presumption that no material changes are made in the format or content of Schedule “W”.

Schedule “W” is subject to review by the Insurance Department each year and that process had not been completed as of the release of Call #5 by the Bureau. Call #5 has been updated to reflect anticipated changes based on the Bureau’s review of a “draft” of Schedule “W”. Specifically, Call #5 has been expanded to reconcile the additional policy years which we expect to be collected on Schedule “W”, with the appropriate fields from Pennsylvania Calls #1, #8 and #9. Note, because of these changes the comparison of Call #1 and Schedule “W” is on two pages instead of one. If there are any additional changes made to Schedule “W”, the Bureau will review the implications of such changes with respect to Call #5 and will issue revisions as appropriate as soon as possible.

Be aware that the request for a copy of Pennsylvania’s Schedule “W” is not in lieu of the requirement that Schedule “W” be filed with the Pennsylvania Insurance Department in a timely manner. Note also that a representative of your company is required to sign a form attesting to the comparability and consistency of the Calls for Experience #1, #8, #9, Schedule “W”, and Page 15 of the Annual Statement for Pennsylvania.

Note the footnote on data page 4 (denoted as *****) requires that you enter the appropriate number in the box provided if an imbalance occurs between the Pennsylvania Call #1 Standard Earned Premium and Schedule "W" Standard Earned Premium. This is a reflection of the change that revised the handling of the merit rating plan adjustment which simplifies comparison for Sections A-1, B-1 and C-1.

GROUP REPORT

Carriers may select either of two reporting options when completing Schedule "W". The first option will be to report Schedule "W" on an individual company basis. The second option will be to submit Schedule "W" on a group basis. If you choose to submit your companies Schedule "W" on a group basis, then each group report must contain the same companies as Calls #1, #5, #8, and #9.

If a company/group chooses to submit Schedule "W" on an individual company basis and Calls #1, #8, #9, on a group basis, it is expected that data on a group basis from Schedule "W" and/or Page 15 of the Annual Statement for Pennsylvania will be combined when completing the reconciliation forms of Call #5.

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

RECONCILIATION INSTRUCTIONS

Page 1 of this call asks that you reconcile data reported in Schedule "W" with the data reported to the Bureau on the Calls #1, #8, and #9 on a calendar year basis. Note that items (2) and (5) ask that you pull data from page 6 of Call #1. If the items reported on Call #1 do not equal that reported in Schedule "W", a detailed explanation for the differences is required.

Pages 3 - 7 ask that you reconcile data reported in Schedule "W" with the data reported to the Bureau on Calls #1, #8, and #9 on a policy year basis. Pages 4 and 5 reconcile parts B-1 and C-1 of Schedule "W" with Call #1. Page 6 reconciles parts D-1 and D-2 of Schedule "W" with Call #8. Page 7 reconciles parts E-1 and E-2 of Schedule "W" with Call #9. For any differences appearing on pages 4 through 7 provide a detailed explanation on page 3.

Note that pages 4 through 7 require the subtraction or addition of columns from Calls #1, #8, and #9 respectively. For example, Indemnity Case Outstanding Excluding Bulk Reserves is calculated by subtracting column (16) of the call from column (11). The intention is to move the case portion of bulk reserves out of the total case reserve and in with the IBNR for a valid comparison with Schedule "W".

Amounts to be reported for earned premiums and incurred losses are to be on a direct basis with respect to reinsurance. Amounts reported must be in whole dollars.

Indicate negative amounts in parentheses.

Please note that the date for reporting this data is on or before April 16, 2001.