

Delaware Compensation Rating Bureau, Inc.



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January 30, 2004

To All Members of the Bureau:

Re: **FINANCIAL DATA INCENTIVE PROGRAM**

Subject to the approval of the Governing Board a Financial Data Incentive Program (FDIP) will apply to selected Delaware financial data submissions of 2003 experience to be reported during 2004. This continues DCRB practice each year since the FDIP's initial implementation in 1996.

The FDIP for 2003 experience covers the following data submissions:

Acknowledgement Form  
Policy Year Call No. 1  
Calendar Year Expense Data Call No. 2  
Large Claim Call No. 4  
Net (As Written) Large Deductible Call No. 8  
Gross (First Dollar) Large Deductible Call No. 9  
Assigned Risk Policy Year Call No. 12  
Catastrophe Experience Call No. 15  
Statutory Page 14 (Exhibit of Premiums and Losses)

***The most significant changes to the program are as summarized below:***

- The due date for Statutory Page 14 has been changed to April 1<sup>st</sup> to coincide with the submission of the Acknowledgement Form.
- For late reporting purposes, the Acknowledgement Form and Statutory Page 14 are now considered one entity. For edit purposes, Statutory Page 14 will remain a part of the entity that includes Calls #1, #2, #8, #9 and #12.

***Additional changes have been made to the FDIP for 2003 experience in the interest of clarity and to reflect mechanical changes in the Call forms to which the FDIP applies.***

The most significant aspects of the program are as summarized below:

- All Calls and Forms must be submitted through the FDRA which is an Internet-based system for the capture of Financial Data.\*

\*Carriers that are unable to report their experience using the FDRA should refer to the FDIP for an alternative reporting mechanism.

- For late reporting purposes Calls No. 1, 2, 8, 9 and 12 as a group will be treated as a single entity. The Acknowledgement Form and Statutory Page 14 will be treated as a second, separate entity. Calls No. 4 and 15 will be treated as a third, separate entity.
- An assessment of \$50 per business day per entity will be imposed for late submissions. Imposition of late submission charges could be applied for submission of calls after the due date, failure of Preliminary Edits and incomplete submissions. Late submission assessments will be subject to a cumulative maximum of \$5,000.
- For edit purposes Calls No. 1, 2, 8, 9, 12 and Statutory Page 14 will be treated as one single entity and edited together.
- For edit purposes any documents which have not been received when the Bureau attempts to perform the program edits will be treated as being in error. In such case no further late reporting assessments will be charged, but edit charges will begin to apply.
- Basic edit errors will be subject to a Financial Data Error Assessment Schedule which will include a flat fee component and a component which reflects a carriers' market share. The assessment schedule applies for a maximum period of 55 business days with the fine for the first ten business days equaling zero (in effect providing a ten-day grace period).
- Actuarial edit criticisms will allow a ten business day period for the carrier to respond before being subjected to the Financial Data Error Assessment Schedule described above. If the carrier satisfactorily responds within that time frame without the necessity for resubmissions, no actuarial edit assessment will be imposed.
- For Calls No. 1, 2, 8, 9, 12 and Statutory Page 14, all resubmissions received after the due date will be subject to a \$100 per entity charge.
- Total FDIP assessments for a carrier or group of carriers will be subject to a maximum of 50 percent of the carrier's Annual Statement Delaware Workers Compensation Direct Written Premium for the calendar year immediately preceding the data reportable in the latest Calls.
- If a carrier group elects to submit separate Calls for individual carriers within their group or to submit separate Calls for subsets of the carriers comprising their entire group, each separate Call submission will be treated separately for all purposes of the FDIP. Thus, carriers are encouraged to consider potential ramifications of the FDIP in deciding on the basis (carrier, group or subgroup) to be used in reporting their 2003 data.
- Incomplete resubmissions (i.e., those which do not address all failed edits or inquiries previously identified by the Bureau) or resubmissions which can be determined based on a cursory review not to satisfy the failed edits or inquiries previously identified by the Bureau will not stop the accrual of assessments from the date of the previous Bureau notice letter.

- **Due Dates: The Acknowledgement Form and Statutory Page 14 are due to be reported on or before April 1, 2004 (Note, for Statutory Page 14 this is a change from last year's due date of April 15<sup>th</sup>). All other submissions are due on or before April 15, 2004.**

A complete updated copy of the 2003 FDIP is enclosed and may also be accessed via the Bureau's internet website at [www.dcrb.com](http://www.dcrb.com).

Timothy L. Wisecarver  
President

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**DELAWARE COMPENSATION RATING BUREAU, INC.  
FINANCIAL DATA INCENTIVE PROGRAM**

**I. INTRODUCTION**

For Calls received in 2004, the DCRB is again applying the Financial Data Incentive Program (FDIP). This continues DCRB practice each year since the FDIP's initial implementation in 1997. This program recognizes the critical importance of the Bureau receiving quality financial data on time so that it can be used in support of filings made with the Delaware Department of Insurance. In addition, this program is intended to more equitably allocate costs to the DCRB associated with late or inaccurate data submission.

In order to assist carriers in reporting their financial data in a timely and accurate manner, the DCRB will require that all carriers report Forms and Calls using the Financial Data Reporting Application (FDRA). The FDRA is an Internet-based system that allows carriers to enter, edit and submit Forms and Calls interactively. The FDRA eliminates paper submissions, provides carriers with immediate feedback for failed edits and provides carriers with a central record of all data submitted.

**Carriers Not Using the FDRA**

Carriers that are unable to report their experience using the FDRA must contact the DCRB in writing and set forth the circumstances hindering their ability to use the FDRA. Carriers should submit their notice to this effect as soon as possible, as no grace period will be granted with respect to FDIP charges relating to the timely and accurate reporting of financial data on account of these circumstances.

The DCRB will review each notice and notify the carrier within 14 days of receipt of that notice if an alternative reporting mechanism can be used. Alternative mechanisms include hard copy documents and, for Calls #1, #4, #8, #9, #12 and #15, the Excel templates which can be downloaded into the FDRA. Carriers not using the FDRA will be subject to service charges relating to the DCRB's special handling required for the carrier's data. Those service charges are as follows:

Initial submissions – For carriers submitting hard copy versions of all documents, the initial submission service charge is \$1,000. If a carrier chooses to submit **all** of Calls #1, #4, #8, #9, #12 and #15 using the FDRA Excel templates, the applicable service charge is \$500. These charges are single fees covering the cost of the first submission of all documents.

Resubmissions – There is a flat service charge of \$200 per entity and an additional charge of \$50 per Call for the submission of hard copy revisions. Excel template revisions will be subject to a flat service charge of \$100 per entity plus an additional charge of \$25 per Call charge.

All carrier submissions will be entered into the FDRA by the DCRB, and all edits described herein will be applicable. For carriers granted permission to use alternative reporting processes, the DCRB will provide specific details regarding the exchange of correspondence particularly with respect to the FDIP. Those details will, to a great extent, continue the processes in place prior to the implementation of the FDRA.

### III. APPLICATION

The FDIP will apply to the following Forms and Financial Calls, all of which are reportable within the FDRA.

| <u>Name</u>                                 | <u>Due Date</u> |
|---|-----------------|
| Acknowledgement Form                        | April 1, 2004   |
| Statutory Page 14                           | April 1, 2004   |
| Policy Year Call #1                         | April 15, 2004  |
| Calendar Year Expense Data Call #2          | April 15, 2004  |
| Large Claim Call #4                         | April 15, 2004  |
| Net (As Written) Large Deductible Call #8   | April 15, 2004  |
| Gross (1st Dollar) Large Deductible Call #9 | April 15, 2004  |
| Assigned Risk Policy Year Call #12          | April 15, 2004  |
| Catastrophe Experience Call #15             | April 15, 2004  |

For purposes of determining fees for late submission and resubmissions, Calls #1, #2, #8, #9 and #12 will be treated as a single entity. Similarly, the Acknowledgement Form and Statutory Page 14 will be treated as a second, separate entity. Calls #4 and #15 will be treated as a third, separate entity. For purposes of determining fees for data errors Calls #1, #2, #8, #9, #12 and Statutory Page 14 will collectively be edited and treated as one entity. The Acknowledgement Form and Calls #4 and #15 will not be subject to error assessment or resubmissions fees.

### III. GENERAL INFORMATION

Under the program, assessments will be levied on carriers for Forms and Financial Calls that are not transmitted via the FDRA on or before the required due date. There will be no extensions granted for any reason. Also, assessments will be levied on carriers for errors detected on submitted Financial Calls. In addition, any resubmission of data after the due date, whether requested or submitted on a voluntary basis, will carry an assessment charge. Note the resubmission of data is recorded by the DCRB on the actual date received as recorded within the FDRA.

ALL CORRESPONDENCE SHOULD BE MAILED TO THE FOLLOWING ADDRESS:

Delaware Compensation Rating Bureau, Inc.  
Attention: Actuarial Department – Data Quality  
The Widener Building, 6th Floor  
One South Penn Square  
Philadelphia, PA 19107-3577

For most carriers submission of the 2001 Designation of Contact Person form to the Bureau established permanent documentation of contact person information. New carriers must submit a completed Designation of Contact Person form to the Bureau. It is the carriers' responsibility to notify the Bureau in writing of any changes to contact person information, including FDRA User IDs and Passwords. Copies of the Designation of Contact Person form can be secured at any time by contacting the Actuarial Department at (215) 568-2371 or visiting our web site at [www.dcrb.com](http://www.dcrb.com). All changes must be sent to the address shown above.

## **IV. GROUP REPORTING**

As noted in the instructions for the various Calls, carriers have the option of reporting their data on a group basis or an individual carrier basis.

The FDIP and its attendant assessments will be applied in the same manner as the data is reported. Thus, assessments will be levied on a group basis if the data is reported on a group basis. Likewise, assessments will be levied on an individual carrier basis if the data is reported on an individual carrier basis.

Carriers are advised to consider the potential costs associated with individual versus group reporting as related to assessments under the FDIP.

## **V. PROCEDURES**

### **A. Timeliness**

#### **1. General**

Assessments for late submissions will be governed by the required due date for the particular Form or Call. If the carriers' FDRA submission is not received on or prior to the required date due, that particular submission will be considered late and assessments will accrue until the data is submitted.

The FDRA automatically logs all submission dates and retains the dates as proof of submission. The DCRB will refer to the Submitted Calls display within the FDRA to verify submission dates when calculating late fees. When submitting information including correspondence to the DCRB, it is the carriers' responsibility to retain all receipts for proof of mailing (i.e., certified mail return receipt, FDRA Call submission receipts , etc.) to support its case in the event of a carrier appeal.

#### **2. Assessments -- Original Submissions**

Calls #1, #2, #8, #9 and #12 will be grouped as a single entity, Calls #4 and #15 will be treated as a second entity, and the Acknowledgement Form and Statutory Page 14 will be treated as a third entity for purposes of levying assessments. ASSESSMENTS FOR TIMELINESS WILL CONSIST OF A PER DAY AMOUNT AS FOLLOWS:

Late fee of \$50 per business day per entity subject to a maximum total of \$5,000 in late submission assessments. Business days will exclude Saturdays, Sundays, and holidays.

#### **3. Assessments -- Resubmissions**

The resubmissions of Calls #1, #2, #8, #9, #12 and the Statutory Page 14 will be subject to a \$100 fee per entity per submission whether requested or submitted on a voluntary basis. Each resubmission sent will be subject to this charge. The Acknowledgement Form and Calls #4 and #15 will not be subject to resubmission fees. No quality edit assessments will be applied to any data corrected by a voluntary resubmission received before the carrier is advised of the edit failure by the DCRB, but the flat resubmission rate of \$100 will still be applicable.

#### 4. Assessments -- Completeness

Calls that are submitted without all the pages completed will be considered late and subject to the same late fee of \$50 per day per entity. If a portion of a submission has not been completed, the date that the completed submission is received will be considered the receipt date for purposes of the FDIP. All Calls for a carrier/group will be edited at the same time. At that time fees for late submissions will stop accruing. Forms and Calls which have not been received by that time will simply be considered in error for purposes of editing and quality assessment.

### **B. Quality**

#### General

Assessments for the quality of data submitted will be based on three levels of editing.

- a. Preliminary Edits -- Preliminary edits are criteria that apply to all Forms and Calls and are prerequisites to the DCRB's processing of a carriers' submission. Failure of one or more preliminary edits will subject a company to assessments for timeliness and/or completeness according to the \$50 per day Late Submission Assessment described above. Major sources of preliminary edit errors are incomplete pages that may impede the processing of the Forms and Calls.
- b. Basic Edits -- Basic edits are primarily validation checks that identify conditions that can only occur as the result of an error or omission and can be determined based on a comparison of data elements on one or more statistical calls. A major source of basic edit errors are incorrect arithmetic or careless data entry. All basic edits are contained within the FDRA and must be run by the carrier prior to submission. If basic edits are not resolved at the time of submission, carriers will be notified of those errors in a criticism letter sent via certified mail with return receipt requested.

Assessments for basic edit errors will be charged according to the Financial Data Error Assessment Schedule. This schedule includes a flat fee component and a component which reflects a carrier's market share (rounded to one decimal place - for example 3.45 percent would be rounded to 3.5 percent). The assessment schedule applies for a maximum period of 55 business days.

Carriers will be notified by letter, sent via certified mail with return receipt requested, of failed edits. Once the carrier has received notification of the failed edits, each subsequent day will generate charges according to the Assessment Schedule until such time as the carrier submits accurate revisions to its data Calls.

Subsequent to issuing a criticism letter, the DCRB will record the date of the criticism letter into the Criticism section of the FDRA.

The Bureau will issue a reminder letter, sent via certified mail with return receipt requested, no later than 21 days after the initial failed edit letter has been sent, if the Bureau receives no response from a carrier. Apart from that single reminder letter, the Bureau will not initiate additional interim contacts with a carrier during the time that the

carrier is responsible for working to provide explanations and/or corrections for failed edits and/or inquiries. It is the carrier's responsibility to be aware that assessment days and fines are accruing and that explanations and/or resubmissions are required as soon as possible.

Carriers are reminded that changes to one Call may well have an impact on other Calls and on reconciliation pages. The FDRA edit process will be helpful in identifying those situations; however, it is the carriers' responsibility to be mindful of such situations and make all corrections as appropriate.

Upon receipt of resubmissions, the Bureau will edit the carrier's data. If errors are found to continue or new problems are created, notification by letter sent via certified mail with return receipt requested will again be made to the carrier, and assessments will again be invoked. For assessment purposes, the count of business days without revision will start where it had left off upon the Bureau's receipt of the prior resubmission. For example, assume a carrier submits a revision on the 15th day after notification by the Bureau and incurs assessments corresponding to 15 business days on the Assessment Schedule. If that carrier is subsequently notified of continuing errors by the Bureau, the Assessment Schedule will apply beginning at the 16th business day.

If the resubmission is found to be incomplete, i.e., it does not address all failed edits or inquiries identified by the Bureau, or if the carrier advises the Bureau that they are continuing to work on resolving a failed edit, the carrier will continue to be assessed from the date of receipt of the Bureau's previous failed edit inquiry letter. In the latter case, as previously noted, the Bureau will not initiate additional interim contacts with the carrier during the time that the carrier is responsible for working to provide explanations and/or corrections for failed edits and/or inquiries. It is the carrier's responsibility to be aware that assessment days and fines are accruing and that explanations and/or resubmissions are required as soon as possible.

Resubmissions which, upon a cursory review by the Bureau, do not satisfy our requirements will not be accepted, and incentive charges will continue to accrue until a complete resubmission is provided.

- c. Actuarial Edits -- Actuarial edits are checks on the reasonableness of data. Many of those actuarial edits are contained within the FDRA, and those edits must be run prior to the submission of a carrier's data. Actuarial edit issues identified with the FDRA edit process should be resolved and/or satisfactorily explained at the time of submission. Additional edits not contained within the FDRA edit process will be performed by the DCRB. Those edits will generally focus on unusual or markedly different reporting patterns and will also be brought to the carrier's attention in a criticism letter.

Actuarial edit criticisms will allow for a ten business day period for the carrier to respond before being subjected to the Financial Data Error Assessment Schedule described above. If the carrier satisfactorily responds within that timeframe without the necessity for resubmissions, no actuarial edit assessment will be imposed. For a response to be considered satisfactory, a carrier should describe the relevant factors that caused the condition in question. Asserting the accuracy of the reported data without written detail

will not be considered a satisfactory response. Explanations that merely identify the source of the error without correcting the error condition will not be considered acceptable.

If a carrier is already incurring Assessment Schedule charges due to basic edit errors, no additional assessments will be made beyond that indicated by the Assessment Schedule.

If a carrier had previously incurred charges due to basic edit errors which were subsequently corrected, actuarial edit charges will commence at the first business day subsequent to the point at which basic edit charges ceased. For example, if a carrier had previously been charged with basic edit error assessments corresponding to 15 business days, then a lack of response by the 11th day to actuarial edit inquiries will be considered the 16th business day on the Assessment Schedule.

Carriers that have submissions failing basic or actuarial edits will be contacted in writing by the DCRB (and possibly by telephone, e-mail or fax) and advised of the error condition. The DCRB will mail the letter via certified mail with a return receipt requested allowing the DCRB to be notified of the date the letter was received. The date the letter or fax is received will determine when the assessment period begins. If a corrected resubmission is faxed or electronically transmitted that same day and the data is correct or a satisfactory explanation is received, there will be no quality/error assessment. In these circumstances, a resubmission charge will still apply.

The Bureau may require resubmission by the carrier of experience for the prior calendar year period to be consistent with changes or corrections in response to basic and/or actuarial edit criteria which are reflected in the most recent experience. When such resubmission is required, the Bureau's request shall be of like standing with any other correction and/or explanation required under terms of the FDIP.

### **C. Maximum Assessment**

All assessments in total are subject to a maximum of 50 percent of the second prior Calendar Year Direct Net Written Premium per the Statutory Page 14. In the event that application of the Assessment Schedule as set forth herein produces indicated assessments in excess of such amount, the maximum assessment will apply. For example, during the 2004 processing of 2003 data, a carrier's 2002 Direct Written Premiums will be used to determine the maximum allowable assessment.

## **VI. COLLECTION OF ASSESSMENTS**

When the entire editing process has been completed, a summary of assessments according to our records will be mailed to each carrier. The amount assessed will be due upon receipt.

## VII. APPEAL PROCEDURES

### A. Appeal

Carriers will have 31 days after receipt of the DCRB's notice of assessments to appeal the propriety of any assessments.

Any appeal of assessment must be made in writing and must set forth all factors which the carrier wishes to be considered in review of the appeal. Appeals must be sent to:

Delaware Compensation Rating Bureau, Inc.  
Actuarial Department - FDIP Appeals  
The Widener Building, 6th Floor  
One South Penn Square  
Philadelphia, PA 19107-3577

Facsimile submission of appeals may be made to the above addressee at (215) 564-4328.

Appeals of lateness charges should be supported by documentation showing the date received at the DCRB as evidence of timely submission of the Call or fewer days late than assessed. Submission dates will automatically be tracked within the FDRA.

Appeals of quality edit charges should be supported by an explanation of why the submission was correct and/or adequately explained and documentation that such explanation was submitted in a timely manner.

Documentation for the timing of submissions by carriers could include certified mail return receipts, signed and returned Bureau transmittal letters, etc., although submissions will generally be tracked within the FDRA.

Appeals will be reviewed by DCRB staff and management, and carriers will be advised in writing of the DCRB's final decision in appeals within 31 days after the carrier's receipt of the acknowledgment by the DCRB. In the event that a carrier remains dissatisfied with the DCRB's final decision, the carrier has 31 days after the receipt of the DCRB's final decision letter to request a hearing in the matter before the DCRB's Governing Board. The carrier's original appeal and the DCRB's final decision letter will be submitted to the Governing Board for review, and the carrier and DCRB staff will be given an opportunity to present their positions and answer questions from the Governing Board. Appeals will be scheduled at the next executive session of the Governing Board which occurs 20 or more days after the DCRB receives notice that the carrier wishes to appeal a final decision to the Governing Board.

## **B. Acknowledgment**

The DCRB will send a letter acknowledging the appeal of an assessment within 14 days of receipt by the Bureau. All appeals of assessments must be in writing and sent to:

Delaware Compensation Rating Bureau, Inc.  
Actuarial Department - FDIP Appeals  
The Widener Building, 6th Floor  
One South Penn Square  
Philadelphia, PA 19107-3577

## **C. Response**

Within 31 days of acknowledgment, the DCRB will respond to the carrier's appeal with an explanation of the reasons for affirming, modifying or withdrawing the assessment charges. If the assessment is subject to further review, the carrier will be so notified.

## **VIII. EDIT DESCRIPTIONS**

Attached are basic and actuarial edit descriptions for general reference. These lists are provided to assist the carriers in identifying common types of edit failures. It should be noted that actuarial edit standards are not rigid criteria but rather identify situations requiring an explanation or further investigation to verify accuracy.

Also, the edit descriptions are not all-inclusive; there may be other types of data problems which could result in the carrier filing a revision and incurring assessments.

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**DELAWARE COMPENSATION RATING BUREAU, INC.**  
**FINANCIAL DATA ERROR ASSESSMENT SCHEDULE**  
 Effective for December 31, 2003 Calls

| Business<br>Day After<br>Due Date | Flat Amount |            | Market Share Factor * |            |
|-----------------------------------|-------------|------------|-----------------------|------------|
|                                   | Daily       | Cumulative | Daily                 | Cumulative |
| 1                                 | -           | -          | -                     | -          |
| 2                                 | -           | -          | -                     | -          |
| 3                                 | -           | -          | -                     | -          |
| 4                                 | -           | -          | -                     | -          |
| 5                                 | -           | -          | -                     | -          |
| 6                                 | -           | -          | -                     | -          |
| 7                                 | -           | -          | -                     | -          |
| 8                                 | -           | -          | -                     | -          |
| 9                                 | -           | -          | -                     | -          |
| 10                                | -           | -          | -                     | -          |
| 11                                | 25          | 25         | 500                   | 500        |
| 12                                | 50          | 75         | 1,000                 | 1,500      |
| 13                                | 75          | 150        | 1,500                 | 3,000      |
| 14                                | 100         | 250        | 1,500                 | 4,500      |
| 15                                | 125         | 375        | 1,500                 | 6,000      |
| 16                                | 125         | 500        | 1,500                 | 7,500      |
| 17                                | 125         | 625        | 1,500                 | 9,000      |
| 18                                | 125         | 750        | 1,500                 | 10,500     |
| 19                                | 125         | 875        | 1,500                 | 12,000     |
| 20                                | 125         | 1,000      | 1,500                 | 13,500     |
| 21                                | 125         | 1,125      | 1,500                 | 15,000     |
| 22                                | 125         | 1,250      | 1,500                 | 16,500     |
| 23                                | 125         | 1,375      | 1,500                 | 18,000     |
| 24                                | 125         | 1,500      | 1,500                 | 19,500     |
| 25                                | 125         | 1,625      | 1,500                 | 21,000     |
| 26                                | 125         | 1,750      | 1,500                 | 22,500     |
| 27                                | 125         | 1,875      | 1,500                 | 24,000     |
| 28                                | 125         | 2,000      | 1,500                 | 25,500     |
| 29                                | 125         | 2,125      | 1,500                 | 27,000     |
| 30                                | 125         | 2,250      | 1,500                 | 28,500     |
| 31                                | 125         | 2,375      | 1,500                 | 30,000     |
| 32                                | 125         | 2,500      | 1,500                 | 31,500     |
| 33                                | 125         | 2,625      | 1,500                 | 33,000     |
| 34                                | 125         | 2,750      | 1,500                 | 34,500     |
| 35                                | 125         | 2,875      | 1,500                 | 36,000     |
| 36                                | 125         | 3,000      | 1,500                 | 37,500     |
| 37                                | 125         | 3,125      | 1,500                 | 39,000     |
| 38                                | 125         | 3,250      | 1,500                 | 40,500     |
| 39                                | 125         | 3,375      | 1,500                 | 42,000     |
| 40                                | 125         | 3,500      | 1,500                 | 43,500     |
| 41                                | 125         | 3,625      | 1,500                 | 45,000     |
| 42                                | 125         | 3,750      | 1,500                 | 46,500     |
| 43                                | 125         | 3,875      | 1,500                 | 48,000     |
| 44                                | 125         | 4,000      | 1,500                 | 49,500     |
| 45                                | 125         | 4,125      | 1,500                 | 51,000     |
| 46                                | 125         | 4,250      | 1,500                 | 52,500     |
| 47                                | 125         | 4,375      | 1,500                 | 54,000     |
| 48                                | 125         | 4,500      | 1,500                 | 55,500     |
| 49                                | 125         | 4,625      | 1,500                 | 57,000     |
| 50                                | 125         | 4,750      | 1,500                 | 58,500     |
| 51                                | 125         | 4,875      | 1,500                 | 60,000     |
| 52                                | 125         | 5,000      | 1,500                 | 61,500     |
| 53                                | 125         | 5,125      | 1,500                 | 63,000     |
| 54                                | 125         | 5,250      | 1,500                 | 64,500     |
| 55                                | 125         | 5,375      | 1,500                 | 66,000     |

\* Factor to be applied to carrier's market share. For example, a carrier with a 12.3% market share would multiply the above factor by 0.123.

**DELAWARE COMPENSATION RATING BUREAU, INC.**  
**FINANCIAL DATA ERROR ASSESSMENT SCHEDULE**  
 Effective for December 31, 2003 Calls

**Example: Market Share 1 %**

**Example: Market Share 5 %**

| Business<br>Day After<br>Due Date | Cumulative Assessment |                 |                     | Cumulative Assessment |                 |                     |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------------|-----------------|---------------------|
|                                   | Flat<br>Amount        | Market<br>Share | Total<br>Assessment | Flat<br>Amount        | Market<br>Share | Total<br>Assessment |
| 1                                 | -                     | -               | -                   | -                     | -               | -                   |
| 2                                 | -                     | -               | -                   | -                     | -               | -                   |
| 3                                 | -                     | -               | -                   | -                     | -               | -                   |
| 4                                 | -                     | -               | -                   | -                     | -               | -                   |
| 5                                 | -                     | -               | -                   | -                     | -               | -                   |
| 6                                 | -                     | -               | -                   | -                     | -               | -                   |
| 7                                 | -                     | -               | -                   | -                     | -               | -                   |
| 8                                 | -                     | -               | -                   | -                     | -               | -                   |
| 9                                 | -                     | -               | -                   | -                     | -               | -                   |
| 10                                | -                     | -               | -                   | -                     | -               | -                   |
| 11                                | 25                    | 5               | 30                  | 25                    | 25              | 50                  |
| 12                                | 75                    | 15              | 90                  | 75                    | 75              | 150                 |
| 13                                | 150                   | 30              | 180                 | 150                   | 150             | 300                 |
| 14                                | 250                   | 45              | 295                 | 250                   | 225             | 475                 |
| 15                                | 375                   | 60              | 435                 | 375                   | 300             | 675                 |
| 16                                | 500                   | 75              | 575                 | 500                   | 375             | 875                 |
| 17                                | 625                   | 90              | 715                 | 625                   | 450             | 1,075               |
| 18                                | 750                   | 105             | 855                 | 750                   | 525             | 1,275               |
| 19                                | 875                   | 120             | 995                 | 875                   | 600             | 1,475               |
| 20                                | 1,000                 | 135             | 1,135               | 1,000                 | 675             | 1,675               |
| 21                                | 1,125                 | 150             | 1,275               | 1,125                 | 750             | 1,875               |
| 22                                | 1,250                 | 165             | 1,415               | 1,250                 | 825             | 2,075               |
| 23                                | 1,375                 | 180             | 1,555               | 1,375                 | 900             | 2,275               |
| 24                                | 1,500                 | 195             | 1,695               | 1,500                 | 975             | 2,475               |
| 25                                | 1,625                 | 210             | 1,835               | 1,625                 | 1,050           | 2,675               |
| 26                                | 1,750                 | 225             | 1,975               | 1,750                 | 1,125           | 2,875               |
| 27                                | 1,875                 | 240             | 2,115               | 1,875                 | 1,200           | 3,075               |
| 28                                | 2,000                 | 255             | 2,255               | 2,000                 | 1,275           | 3,275               |
| 29                                | 2,125                 | 270             | 2,395               | 2,125                 | 1,350           | 3,475               |
| 30                                | 2,250                 | 285             | 2,535               | 2,250                 | 1,425           | 3,675               |
| 31                                | 2,375                 | 300             | 2,675               | 2,375                 | 1,500           | 3,875               |
| 32                                | 2,500                 | 315             | 2,815               | 2,500                 | 1,575           | 4,075               |
| 33                                | 2,625                 | 330             | 2,955               | 2,625                 | 1,650           | 4,275               |
| 34                                | 2,750                 | 345             | 3,095               | 2,750                 | 1,725           | 4,475               |
| 35                                | 2,875                 | 360             | 3,235               | 2,875                 | 1,800           | 4,675               |
| 36                                | 3,000                 | 375             | 3,375               | 3,000                 | 1,875           | 4,875               |
| 37                                | 3,125                 | 390             | 3,515               | 3,125                 | 1,950           | 5,075               |
| 38                                | 3,250                 | 405             | 3,655               | 3,250                 | 2,025           | 5,275               |
| 39                                | 3,375                 | 420             | 3,795               | 3,375                 | 2,100           | 5,475               |
| 40                                | 3,500                 | 435             | 3,935               | 3,500                 | 2,175           | 5,675               |
| 41                                | 3,625                 | 450             | 4,075               | 3,625                 | 2,250           | 5,875               |
| 42                                | 3,750                 | 465             | 4,215               | 3,750                 | 2,325           | 6,075               |
| 43                                | 3,875                 | 480             | 4,355               | 3,875                 | 2,400           | 6,275               |
| 44                                | 4,000                 | 495             | 4,495               | 4,000                 | 2,475           | 6,475               |
| 45                                | 4,125                 | 510             | 4,635               | 4,125                 | 2,550           | 6,675               |
| 46                                | 4,250                 | 525             | 4,775               | 4,250                 | 2,625           | 6,875               |
| 47                                | 4,375                 | 540             | 4,915               | 4,375                 | 2,700           | 7,075               |
| 48                                | 4,500                 | 555             | 5,055               | 4,500                 | 2,775           | 7,275               |
| 49                                | 4,625                 | 570             | 5,195               | 4,625                 | 2,850           | 7,475               |
| 50                                | 4,750                 | 585             | 5,335               | 4,750                 | 2,925           | 7,675               |
| 51                                | 4,875                 | 600             | 5,475               | 4,875                 | 3,000           | 7,875               |
| 52                                | 5,000                 | 615             | 5,615               | 5,000                 | 3,075           | 8,075               |
| 53                                | 5,125                 | 630             | 5,755               | 5,125                 | 3,150           | 8,275               |
| 54                                | 5,250                 | 645             | 5,895               | 5,250                 | 3,225           | 8,475               |
| 55                                | 5,375                 | 660             | 6,035               | 5,375                 | 3,300           | 8,675               |

## Edit Descriptions

### Edit Number Listing

#### DELAWARE

##### Basic Edits

##### Policy Year Call #1

#### BASIC EDITS - EXCLUSIVE TO CALL#1

| Edit # | Edit Description   | Comments  |
|--------|--|---|
| 4      | For columns (1) through (26), the sum of lines (A) through (V) must be equal to line (X) for all columns.  |   |
| 5      | The sum of columns (4), (5) and (6) must be equal to column (7) for all lines.   |   |
| 6      | The sum of columns (9) and (10) must be equal to column (4) for all lines.   |   |
| 7      | The sum of columns (11) and (12) must be equal to column (5) for all lines.  |   |
| 8      | The sum of columns (13) and (14) must be equal to column (6) for all lines.  |   |
| 9      | There must be responses to the three questions on Page 3 of the Call.  |   |
| 10     | If the response to Question #1 on page 3 is "No" then:<br>a.) The sum of columns (15) and (16) must be equal to column (11) for all lines.<br>b.) The sum of columns (17) and (18) must be equal to column (12) for all lines. |   |
| 11     | If the response to Question #1 on page 3 is "Yes" then leave Columns (15) through (18) blank.  |   |
| 12     | The sum of columns (19) and (20) must be equal to column (8) for lines (L) through (V).  | Mandatory reporting for Policy Years 1993 and subsequent. |
| 13     | For all columns (1) through (26), line (Z) must be equal to line (X) minus line (Y).   |   |
| 14     | The sum of columns (23) through (25) must be equal to column (26) for all lines.   |   |
| 15     | For columns (1) through (26), lines (A) through (V) and (X), all data items should be non-negative (greater than or equal to zero). Except columns (6), (13), (14), (16), (18) and (25).                                       |   |
| 16     | For lines (A) through (V) if there is a value in Column (7) there must also be a value in Columns (1), (2) and (3).  |   |
| 17     | For lines (B) through (V), if columns (9) and (11) are greater than 0 then Column (8) must be greater than zero.   |   |
| 18     | If columns (9) and (11) are equal to 0 then Column (8) should be equal to 0.   |   |

|    |  |  |
|----|--|--|
| 19 | For lines (L) through (V), if the amount reported in column (19) is greater than zero, then column (9) must be greater than zero.            | If there are closed claims, there should be associated paid indemnity amounts. |
| 20 | For lines (L) through (V), if column (9) equals zero, then column (19) must equal zero.  | If there is no paid indemnity, there should be no closed claims.               |
| 21 | For lines (L) through (V), if column (20) is greater than zero, then column (11) should be greater than zero.                                | If there are open claims, there must be case indemnity reserves.               |
| 22 | For lines (L) through (V), if column (20) is equal to zero, then column (11) should equal zero unless only bulk reserves are being reported. | If there are no open claims, then there should be no indemnity case reserves.  |
| 23 | For lines (A) through (V), column (21) must be less than or equal to column (9).   |  |
| 24 | For lines (A) through (V), Column (22) must be less than or equal to column (10).  |  |

**BASIC EDITS - COMPARING THE CURRENT YEAR'S CALL#1 TO THE PRIOR YEAR'S CALL#1**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | For columns (1) through (26), line (Y) from the current Call must equal line (X) from the preceding Policy Year Call. |          |

**BASIC EDITS - COMPARING CALL#1 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

**Calendar Year Expense Data Call #2**

**BASIC EDITS - EXCLUSIVE TO CALL #2**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | Line (3G) must equal the sum of lines (3A)+(3B)+(3C)+(3D)+(3E)+(3F).  |          |
| 2      | Line (4) should equal the sum of Lines (2) + (3G)   |          |
| 3      | Allocation Codes for lines (6A) to (11) must be a number between (1) and (7) inclusive unless the expense amounts in Column (2) and Column (3) both equal zero. |          |
| 4      | Line (13) must be one of the following letters: N, P, M, R, F or X.   |          |

**Net #8 and Gross #9 Large Deductible Policy Year Calls**

**BASIC EDITS - EXCLUSIVE TO CALLS #8 AND #9**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 4      | For columns (1) through (26), the sum of lines (I) through (V) must be equal to line (X) for all columns. |          |

|    |  |  |
|----|--|--|
| 5  | The sum of columns (4) through (6) must be equal to column (7) for all lines.  |  |
| 6  | The sum of columns (9) and (10) must be equal to column (4) for all lines.   |  |
| 7  | The sum of columns (11) and (12) must be equal to column (5) for all lines.  |  |
| 8  | The sum of columns (13) and (14) must be equal to column (6) for all lines.  |  |
| 9  | There must be responses to the three questions on Page 3 of the Call.  |  |
| 10 | If the response to Question #1 on page 3 is "No" then:<br>a.) The sum of columns (15) and (16) must be equal to column (11) for all lines.<br>b.) The sum of columns (17) and (18) must be equal to column (12) for all lines. |  |
| 11 | If the response to Question #1 on page 3 is "Yes" then leave Columns (15) through (18) blank.  |  |
| 12 | The sum of columns (19) and (20) must be equal to column (8) for lines (L) through (V)   | Mandatory reporting for Policy Years 1993 and subsequent                       |
| 13 | For columns (1) through (26), line (Z) must be equal to line (X) minus line (Y).   |  |
| 14 | The sum of columns (23) through (25) must be equal to column (26).   |  |
| 15 | For columns (1) through (26), lines (I) through (V) and (X), all data items should be non-negative (greater than or equal to zero). Except columns (6), (13), (14), (16), (18) and (25).                                       |  |
| 16 | For lines (I) through (V), if there is a value in column (7) then there must also be a value in Columns (1), (2) and (3).  |  |
| 17 | For lines (I) through (V), if columns (9) and (11) are greater than 0 then Column (8) must be greater than 0.  |  |
| 18 | For lines (I) through (V), if columns (9) and (11) are equal to 0 then Column (8) should be equal to 0.  |  |
| 19 | For lines (L) through (V), if column (19) is greater than zero, then column (9) must be greater than zero.   | If there are closed claims, there should be associated paid indemnity amounts. |
| 20 | For lines (L) through (V), if column (9) equals zero, then column (19) must be equal to zero.  | If there is no paid indemnity, there should be no closed claims.               |
| 21 | For lines (L) through (V), if column (20) is greater than zero, then column (11) must be greater than zero.  | If there are open claims, there must be indemnity case reserves.               |
| 22 | For lines (L) through (V), if column (20) is equal to zero, then column (11) should be equal to zero unless only bulk reserves are being reported.   | If there are no open claims, then there should be no indemnity case reserves.  |
| 23 | For lines (I) through (V), column (21) must be less than or equal to column (9).   |  |

|    |   |  |
|----|---|--|
| 24 | For lines (I) through (V), column (22) must be less than or equal to column (10). |  |
|----|---|--|

**BASIC EDITS - COMPARING THE CURRENT YEAR'S CALL#8 AND #9 TO THE PRIOR YEAR'S CALL#8 AND #9, RESPECTIVELY**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | For columns (1) through (26), line (Y) from the current Call must equal line (X) from the preceding Policy Year Call. |          |

**Assigned Risk Policy Year Call #12**

**BASIC EDITS - EXCLUSIVE TO CALLS #12**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 3      | For columns (1) through (26), the sum of lines (L) through (V) must be equal to line (X) for all columns.   |          |
| 4      | The sum of columns (4), (5) and (6) must be equal to column (7) for all lines.  |          |
| 5      | The sum of columns (9) and (10) must be equal to column (4) for all lines.  |          |
| 6      | The sum of columns (11) and (12) must be equal to column (5) for all lines.   |          |
| 7      | The sum of columns (13) and (14) must be equal to column (6) for all lines.   |          |
| 8      | There must be responses to the three questions on Page 3 of the Call.   |          |
| 9      | If the response to Question #1 on page 3 is "No" then:<br>a.) The sum of columns (15) and (16) must equal column (11) for all lines.<br>b.) The sum of columns (17) and (18) must equal column (12) for all lines |          |
| 10     | If the response to Question #1 on page 3 is "Yes" then leave Columns (15) through (18) blank.   |          |
| 11     | The sum of columns (19) and (20) must be equal to column (8) for lines (L) through (V).   |          |
| 12     | For columns (1) through (26), line (Z) must be equal to line (X) minus line (Y).  |          |
| 13     | The sum of columns (23) through (25) must be equal to column (26) for lines (L) through (V).  |          |
| 14     | For columns (1) through (26), lines (L) through (V) and (X), all data items should be non-negative(greater than or equal to zero). Except columns (6), (13), (14), (16), (18) and (25).                           |          |
| 15     | For lines (L) through (V), if there is a value in Column (7), then there also must be a value in columns (1), (2) and (3).  |          |

|    |  |  |
|----|--|--|
| 16 | For lines (L) through (V), if columns (9) and (11) are greater than 0 then column (8) must be greater than zero.                             |  |
| 17 | For lines (L) through (V), if columns (9) and (11) are equal to 0 then column (8) should be equal to 0.                                      |  |
| 18 | For lines (L) through (V), if column (19) is greater than zero, then column (9) must be greater than zero.                                   | If there are closed claims, there should be associated paid indemnity amounts. |
| 19 | For lines (L) through (V), if column (9) equals zero, then column (19) must equal zero.  | If there is no paid indemnity, there should be no closed claims.               |
| 20 | For lines (L) through (V), if column (20) is greater than zero, then column (11) should be greater than zero.                                | If there are open claims, there must be indemnity case reserves.               |
| 21 | For lines (L) through (V), if column (20) is equal to zero, then column (11) should equal zero unless only bulk reserves are being reported. | If there are no open claims, then there should be no indemnity case reserves.  |
| 22 | For lines (L) through (V), column (21) must be less than or equal to column (9).   |  |
| 23 | For lines (L) through (V), column (22) must be less than or equal to column (10).  |  |

**BASIC EDITS - COMPARING THE CURRENT YEAR'S CALL#12 TO THE PRIOR YEAR'S CALL#12**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | For columns (1) through (26), line (Y) from the current Call must equal line (X) from the preceding Policy Year Call. |          |

**Actuarial Edits**

All items on Calls #1, #2, #8, #9 and #12 will be checked for reasonableness. Specific examples include:

**Policy Year Call #1**

**ACTUARIAL EDITS - EXCLUSIVE TO CALL#1**

| Edit #                     | Edit Description   | Comments |
|----------------------------|--|----------|
| <b>carrier info report</b> | The relationship between Standard Earned Premium at DSR Level and Standard Earned Premium at Company Level should be consistent with each company's filed deviations and/or loss cost multiplier(s) and underlying loss cost levels. |          |
| 1                          | For columns (1), (2), (3) and (7) line (V) should not equal line (Z) unless both values are equal to zero.   |          |
| 2                          | Line (Z) for columns (1), (3) and (7) must be copied to the reconciliation page of the Call.   |          |

|   |  |  |
|---|--|--|
| 3 | If there is Net Earned Premium reported on Page 5, Line 11, Col.(2) then the amount reported on Page 5, Line 9, Col.(2) should not equal zero. |  |
| 4 | The ratio of [Page 5, Line 9,Col.(2)]/[Page 5, line 11,Col.(2)] does not fall within the interval [0.00-0.05].                                 |  |

**ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#1 TO THE PRIOR YEAR'S CALL#1**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | For all paid losses, columns (4),(9), (10), (21) and (22), lines (A) through (U) will be checked when the losses on the current Call for a specific policy year are at least 200,000 less than the losses on the preceding Policy Year Call for the same policy year. (Note the current line A equals the sum of line A and B from prior call. Line (B) on current call should be compared to line (C) from prior call and so forth.) |          |

**ACTUARIAL EDITS - COMPARING CALL#1 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

| Edit # | Edit Description   | Comments |
|--------|--|----------|
| 1      | The entries on page 5, the Calendar Year Reconciliation Report will be verified, this data must be pulled correctly from Calls #1, #8, #9 and Statutory Page 14. Any differences greater than \$1,000 and less than (\$1,000) must be explained. These explanations will be reviewed for reasonableness. |          |
| 2      | The values on Call #1 must be greater than the corresponding values on Call #12.   |          |

**Calendar Year Expense Data Call #2**

**ACTUARIAL EDITS – COMPARING CALL#2 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

| Edit # | Edit Description   | Comments |
|--------|--|----------|
| 1      | The entries on page 3, the Calendar Year Reconciliation Report will be verified, this data must be pulled correctly from Calls #1, #2 and Statutory Page 14. Any differences greater than \$1,000 and less than (\$1,000) must be explained. These explanations will be reviewed for reasonableness. |          |
| 2      | Line 5C should equal Call #9, Line (Z), Column (1), minus Call #8, Line (Z), Column (1).   |          |
| 3      | Line 5D should equal Call #9, Line (Z), Column (3), minus Call #8, Line (Z), Column (3).   |          |
| 4      | Line 12B, Column 2(Paid) should equal Call #9, Line (Z), Column (4), minus Call #8, Line (Z), Column (4).  |          |

|   |   |  |
|---|---|--|
| 5 | Line 12B, Column 3(Incurred) should equal Call #9, Line (Z), Column (7), minus Call #8, Line (Z), Column (7). |  |
|---|---|--|

|   |  |  |
|---|--|--|
| 6 | All expense items should match corresponding expense items in Statutory Page 14. |  |
|   | Line (1) should equal Column (1) of Statutory Page 14.                           |  |
|   | Line (2) should equal Column (2) of Statutory Page 14.                           |  |
|   | Line (7) Paid should equal Column (5) of Statutory Page 14.                      |  |
|   | Line (7) Incurred should equal Column (6) of Statutory Page 14.                  |  |
|   | Line (9) Paid should equal Column (8) of Statutory Page 14.                      |  |
|   | Line (9) Incurred should equal Column (9) of Statutory Page 14.                  |  |
|   | Line (6a) Incurred should equal Column (11) of Statutory Page 14.                |  |
|   | Line (11) Incurred should equal Column (12) of Statutory Page 14.                |  |

**Net Large Deductible Policy Year Call #8**

**ACTUARIAL EDITS - EXCLUSIVE TO CALL#8**

| Edit #                     | Edit Description  | Comments |
|----------------------------|---|----------|
| <b>carrier info report</b> | The relationship between Standard Earned Premium at DCRB DSR Level and Standard Earned Premium at Company Level should be consistent with each company's filed deviations and/or loss cost multiplier(s) and underlying loss cost levels. |          |
| 1                          | For columns (1), (2), (3) and (7) line (V) should not be equal to line (Z).   |          |

**ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#8 TO THE PRIOR YEAR'S CALL#8**

| Edit # | Edit Description  | Comments |
|--------|---|----------|
| 1      | For all paid losses, columns (4),(9), (10), (21) and (22), lines (I) through (U) will be checked when the losses on the current Call for a specific policy year are at least 200,000 less than the losses on the preceding Policy Year Call for the same policy year. (Note, line (I) on current call should be compared to line (J) from prior call and so forth.) |          |

**ACTUARIAL EDITS - COMPARING CALL#8 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

| <b>Edit #</b> | <b>Edit Description</b>   | <b>Comments</b> |
|---------------|---|-----------------|
| <b>1</b>      | All data entries on the Net Large Deductible Call should be less than the corresponding data entries on the Gross Large Deductible Call except for columns (6), (13), (14), (16), (18) and (25) where Call #8 may be less than or equal to Call #9. |                 |

**Gross Large Deductible Policy Year Call #9**

**ACTUARIAL EDITS - EXCLUSIVE TO CALL#9**

| <b>Edit #</b>              | <b>Edit Description</b>   | <b>Comments</b> |
|----------------------------|---|-----------------|
| <b>carrier info report</b> | The relationship between Standard Earned Premium at DCRB DSR Level and Standard Earned Premium at Company Level should be consistent with each company's filed deviations and/or loss cost multiplier(s) and underlying loss cost levels. |                 |
| <b>1</b>                   | For columns (1), (2), (3) and (7) line (V) should not equal line (Z) unless both values are equal zero.   |                 |

**ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#8 TO THE PRIOR YEAR'S CALL#9**

| <b>Edit #</b> | <b>Edit Description</b>   | <b>Comments</b> |
|---------------|---|-----------------|
| <b>1</b>      | For all paid losses, columns (4),(9), (10), (21) and (22), lines (I) through (U) will be checked when the losses on the current Call for a specific policy year are at least 200,000 less than the losses on the preceding Policy Year Call for the same policy year. (Note, line (I) on current call should be compared to line (J) from prior call and so forth.) |                 |

**ACTUARIAL EDITS - COMPARING CALL#9 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

| <b>Edit #</b> | <b>Edit Description</b>   | <b>Comments</b> |
|---------------|---|-----------------|
| <b>1</b>      | All data entries on the Net Large Deductible Call should be less than the corresponding data entries on the Gross Large Deductible Call except for columns (6), (13), (14), (16), (18) and (25) where Call #8 may be less than or equal to Call #9. |                 |

Assigned Risk Policy Year Call #12

**ACTUARIAL EDITS - EXCLUSIVE TO CALL#12**

| <b>Edit #</b>              | <b>Edit Description</b>  | <b>Comments</b> |
|----------------------------|--|-----------------|
| <b>carrier info report</b> | Standard Earned Premium at DSR Level should equal Standard Earned Premium at Company Level.                |                 |
| <b>1</b>                   | For lines (L) through (V), Column (1) must equal Column (2).   |                 |
| <b>2</b>                   | For columns (1), (2), (3) and (7) line (V) should not equal line (Z) unless both values are equal to zero. |                 |

**ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#12 TO THE PRIOR YEAR'S CALL#12**

| <b>Edit #</b> | <b>Edit Description</b>   | <b>Comments</b> |
|---------------|---|-----------------|
| <b>1</b>      | For all paid losses, columns (4),(9), (10), (21) and (22), lines (I) through (U) will be checked when the losses on the current Call for a specific policy year are at least 200,000 less than the losses on the preceding Policy Year Call for the same policy year. (Note, line (I) on current call should be compared to line (J) from prior call and so forth.) |                 |

**ACTUARIAL EDITS - COMPARING CALL#12 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS**

| <b>Edit #</b> | <b>Edit Description</b>   | <b>Comments</b> |
|---------------|---|-----------------|
| <b>1</b>      | Policy Year entries in lines (M) - (V) should be less than or equal to the corresponding entries on Call #1 |                 |