



March 10, 2005

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PENNSYLVANIA AND DELAWARE
CALL FOR EXPERIENCE #10

CALL FOR INDEMNITY PENSION CLAIM EXPERIENCE, VALUED AS OF DECEMBER 31, 2004 - DUE
APRIL 15, 2005

The Pennsylvania Insurance Department and the Delaware Insurance Department have approved the use of revised pension tables effective on a mandatory basis July 1, 2004 for evaluating death and permanent total indemnity claims. The pension tables are periodically updated to incorporate various provisions, and this revision adopts recent changes in pension table values in use in other jurisdictions nationally. The “new” tables are based on the 1999 United States Life Tables. The tables reflect a discount for interest at 3.5 percent. Copies of the new tables are published in Pennsylvania Circular #1474 and Delaware Circular #778. The “old” tables are based on 1989-1991 U.S. Decennial Life Tables, also at 3.5 percent interest.

The purpose of the Call is to allow the Bureau to measure the impact on loss development of changes in the pension tables used to evaluate indemnity pension claims. These claims are generally limited to death or permanent total claims. This will be done by collecting indemnity pension claim information for claims that are evaluated on a tabular basis with unpaid loss reserves as of December 31, 2004.

All carriers must complete the questionnaire on page 1. The questionnaire on page 1 of this Call will determine whether a carrier must complete page 2 of this call.

Page 1 of this Call identifies several conditions which, if met, require completion of page 2 of the Call.

- 1) The company must have open indemnity pension claims (generally death or permanent total) as of December 31, 2004.
- 2) The indemnity case reserve must be reserved on a tabular basis and reflect a discount for interest at 3.5 percent.
- 3) The indemnity case reserves for these claims must be based on the “new” pension tables reflecting 1999 U.S. Life Tables evaluated at 3.5 percent interest or based on the “old” tables reflecting the 1989-1991 U.S. Decennial Life Tables evaluated at 3.5 percent interest.
- 4) The indemnity case reserves calculated using the pension tables must be included in the indemnity case reserves included in Call #1 or Call #9.

If a carrier meets the above criteria, then it will be necessary to complete page 2. Add additional rows to page 2 as necessary.

The required data fields are defined below.

Column (1) - Policy Effective Date - Enter the date when the policy became effective in the format MMDDYYYY (i.e. 01082004).

Column (2) - Claim Number - Enter the Carrier claim number.

Column (3) - Accident Date - Enter the date when the accident occurred in the format MMDDYYYY (i.e. 01082004).

Column (4) - Type of Injury Code - Enter the appropriate 1 digit code as defined below.

- 1 - Death
- 2 - Permanent Total Disability
- 3 - Other

Column (5) – Date of Birth of Beneficiary - Provide the date of birth of the primary beneficiary in the format MMDDYYYY (i.e. 01082001).

For non-fatal cases the primary beneficiary will generally be the claimant. For fatalities, the primary beneficiary is the person most likely to receive benefits for the longest period.

Column (6) - Sex of Beneficiary - Enter the appropriate 1 digit code (m = male, f = female) representing the sex of the primary beneficiary as determined for Column (5).

Column (7) - Total Weekly Benefit - Enter whole dollar amounts only.
Provide the total weekly benefit paid to or on behalf of all the beneficiaries for the claim.

Column (8) - Pension Table Code – Enter the appropriate 1 digit code as defined below.

- n - For claims reserved as of December 31, 2004 using the 1999 U.S. Life Tables at 3.5 percent interest which became effective on a mandatory basis July 1, 2004.
- o - For claims reserved as of December 31, 2004 using the 1989 -1991 U.S. Decennial Life Tables at 3.5 percent interest.

Claims reserved on a basis not using either of the above two tables should not be included in Call #10.

Column (9) - Unpaid Reserve at December 31, 2004 - Enter whole dollar amounts only.

Provide the indemnity case outstanding, excluding bulk reserves, as of December 31, 2004 for the claim.

Column (10) - Coverage Code – Enter the appropriate 1 digit code as defined below.

- 1 - Losses under All Workers' Compensation Experience EXCEPT the following:
“F” Classification, Coal Mine, Excess Policies, Reinsurance, National Defense Projects, Large Deductible Policies, etc. as described in Call #1.
- 2 - Losses under Large Deductible Policies (Report all information prior to credit for reimbursable amounts.)

Please report all amounts in WHOLE DOLLARS ONLY.

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