



January 31, 2012

To All Members of the DCRB:

Re: **FINANCIAL DATA INCENTIVE PROGRAM**

Pending approval of the Governing Board a Financial Data Incentive Program (FDIP) will apply to selected Delaware financial data submissions of 2011 experience to be reported during 2012. This continues DCRB practice each year since the FDIP's initial implementation in 1997.

The FDIP for 2011 experience covers the following data submissions:

Acknowledgement Form
Policy Year Call #1
Calendar Year Expense Data Call #2
Large Claim Call #4
Net (As Written) Large Deductible Call #8
Gross (First Dollar) Large Deductible Call #9
Assigned Risk Policy Year Call #12
Catastrophe Experience Call #15
Statutory Page 14

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

- Continuing the practice established with the 2007 Financial Data Reporting Application (FDRA), the DCRB will be expanding the policy year Call Forms within the FDRA to capture an additional policy year of experience. This will continue each subsequent year until thirty full policy years, along with the incomplete policy year associated with the current reporting year, are being captured. This will affect Calls #1, #8, #9, #12 and #15.
- Edits applicable to individual policy years have been extended to apply to an additional row in recognition of the additional policy year being reported. Some edits have been modified primarily for the sake of clarity.

Additional changes have been made to the FDIP for 2011 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.
- For late reporting purposes Calls No. 1, 2, 4, 8, 9, 12 and 15 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.
- 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, 4, 8, 9, 12, 15 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 DCRB 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, 4, 8, 9, 12, 15 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 data.
- Incomplete resubmissions and/or responses (i.e., those which do not address all failed edits or inquiries previously identified by the DCRB) or resubmissions and/or responses which can be determined based on a cursory review not to satisfy the failed edits or inquiries previously identified by the DCRB will not stop the accrual of assessments from the date of the previous DCRB notice letter.

- **Due Dates:**

The Acknowledgement Form and Statutory Page 14 are due to be reported on or before April 2, 2012. All other submissions are due on or before April 16, 2012.

A complete updated copy of the 2011 FDIP is enclosed and may also be accessed via the DCRB's internet website at 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 2012, 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 DCRB 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.

II. 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 2, 2012 |
| Statutory Page 14 | April 2, 2012 |
| Policy Year Call #1 | April 16, 2012 |
| Calendar Year Expense Data Call #2 | April 16, 2012 |
| Large Claim Call #4 | April 16, 2012 |
| Net (As Written) Large Deductible Call #8 | April 16, 2012 |
| Gross (1st Dollar) Large Deductible Call #9 | April 16, 2012 |
| Assigned Risk Policy Year Call #12 | April 16, 2012 |
| Catastrophe Experience Call #15 | April 16, 2012 |

For purposes of determining fees for late submission and resubmissions, Calls #1, #2, #4, #8, #9, #12 and #15 will be treated as a single entity. Similarly, the Acknowledgement Form and Statutory Page 14 will be treated as a second, separate entity. For purposes of determining fees for data errors Calls #1, #2, #4, #8, #9, #12, #15 and Statutory Page 14 will collectively be edited and treated as one entity. The Acknowledgement Form will not be subject to error assessment or resubmission 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(s). 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
United Plaza Building – Suite 1500
30 South 17th Street
Philadelphia, PA 19103-4007

For most carriers submission of the 2001 Designation of Contact Person form to the DCRB established permanent documentation of contact person information. New carriers must submit a completed Designation of Contact Person form to the DCRB. It is the carrier's responsibility to notify the DCRB 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. 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 carrier's 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 carrier's 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, #4, #8, #9, #12 and #15 will be grouped as a single entity and the Acknowledgement Form and Statutory Page 14 will be treated as a second 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 generally recognized holidays.

3. Assessments -- Resubmissions

The resubmissions of Calls #1, #2, #4, #8, #9, #12, #15 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 will not be subject to resubmission fees within the FDIP. 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. Partial submissions will not be considered in determining assessments for completeness, and 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 carrier's 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. Major sources 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 DCRB 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 DCRB receives no response from a carrier. Apart from that single reminder letter, the DCRB 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 carrier's responsibility to be mindful of such situations and make all corrections as appropriate.

Upon receipt of resubmissions, the DCRB will edit the carrier's data. If errors are found to continue and/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 DCRB's receipt of the prior resubmission. For example, assume a carrier submits a revision on the 15th day after notification by the DCRB and incurs assessments corresponding to 15 business days on the Assessment Schedule. If that carrier is subsequently notified of continuing errors by the DCRB, the Assessment Schedule will apply beginning at the 16th business day.

If a carrier's response, in the form of a resubmission and/or explanation, to a criticism letter is found to be incomplete, i.e., it does not address all failed edits or inquiries identified by the DCRB, or if the carrier advises the DCRB 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 DCRB's previous failed edit inquiry letter. In the latter case, as previously noted, the DCRB 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 and/or explanations which, upon a cursory review by the DCRB, 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 the 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 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 also 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 and/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 DCRB 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 DCRB'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 2012 processing of 2011 data, a carrier's 2010 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
United Plaza Building – Suite 1500
30 South 17th Street
Philadelphia, PA 19103-4007

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 submission of the Call 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 DCRB 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 DCRB. All appeals of assessments must be in writing and sent to:

Delaware Compensation Rating Bureau, Inc.
Actuarial Department - FDIP Appeals
United Plaza Building – Suite 1500
30 South 17th Street
Philadelphia, PA 19103-4007

C. Response

Within 31 days of acknowledgment, 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 for general reference are basic and actuarial edit descriptions. 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.

DELAWARE COMPENSATION RATING BUREAU, INC.
FINANCIAL DATA ERROR ASSESSMENT SCHEDULE

Effective for December 31, 2011 Calls

| Business Day After 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, 2011 Calls

Example: Market Share 1 %

Example: Market Share 5 %

| Business Day After Due Date | Cumulative Assessment | | | Cumulative Assessment | | |
|-----------------------------------|-----------------------|-----------------|---------------------|-----------------------|-----------------|---------------------|
| | Flat Amount | Market Share | Total Assessment | Flat Amount | Market Share | Total 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

DELAWARE

I. BASIC EDITS

A. POLICY YEAR CALL #1

i. BASIC EDITS - EXCLUSIVE TO CALL#1

| Edit # | Edit Description |
|--------|--|
| 1 | For Columns (1) through (26), the sum of PY-Prior to 1986 through PY 2011 must be equal to Line (X) for all columns. |
| 2 | The sum of Columns (4), (5) and (6) must be equal to Column (7) for all lines. |
| 3 | The sum of Columns (9) and (10) must be equal to Column (4) for all lines. |
| 4 | The sum of Columns (11) and (12) must be equal to Column (5) for all lines. |
| 5 | The sum of Columns (13) and (14) must be equal to Column (6) for all lines. |
| 6 | There must be responses to the three questions on Page 3 of the Call. |
| 7 | If the response to Question #1 on page 3 is "No" then: a.) The sum of Columns (15) and (16) must be equal to Column (11) for all lines. b.) The sum of Columns (17) and (18) must be equal to Column (12) for all lines. |
| 8 | If the response to Question #1 on Page 3 is "Yes" then leave Columns (15) through (18) blank. If the response is "No" then there must be a value in Column (16) or (18). |
| 9 | The sum of Columns (19) and (20) must be equal to Column (8) for PY1993 through PY 2011. |
| 10 | For all Columns (1) through (26), Line (Z) must be equal to Line (X) minus Line (Y). |
| 11 | The sum of Columns (23) through (25) must be equal to Column (26) for all lines. |
| 12 | For Columns (1) through (26), PY Prior to 1986 through PY 2011 and Line (X), all data items should be non-negative (greater than or equal to zero). Except Columns (6), (13), (14), (16),(18) and (25). |
| 13 | For PY Prior to 1986 through PY 2011 if there is a value in column (7) there must also be a value in columns (1), (2) and (3). |
| 14 | For PY 1986 through PY 2011, if Columns (9) and (11) are greater than 0 then column (8) must be greater than zero. |
| 15 | If Columns (9) or (11) are equal to 0 then column (8) should be equal to 0 for all lines. |
| 16 | For PY1993 through PY 2011, if the amount reported in Column (19) is greater than zero, then Column (9) must be greater than zero. |
| 17 | For PY1993 through PY 2011, if Column (9) equals zero, then Column (19) must equal zero. |
| 18 | For PY1993 through PY 2011, if Column (20) is greater than zero, then Column (11) should be greater than zero. |
| 19 | For PY1993 through PY 2011, if Column (20) is equal to zero, then Column (11) should equal zero unless only bulk reserves are being reported. |
| 20 | For PY-Prior to 1986 through PY 2011, Column (21) must be less than or equal to Column (9). |
| 21 | For PY-Prior to 1986 through PY 2011, column (22) must be less than or equal to Column (10). |
| 22 | No entry has been made to Call #1. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |

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

| Edit # | Edit Description |
|--------|---|
| 1 | For Columns (1) through (26), Line (Y) from the current Call must equal Line (X) from the preceding Policy Year Call. |
| 2 | If the answer selected for Question #2 on the current year's call does not equal the answer selected for the prior year's call, then the answer to the question #3 should be "Yes". |

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

| Edit # | Edit Description |
|--------|---|
| 1 | All data must be consistent and comparable to Call #2 and Call #8. |
| 2 | Call #2, Line (5E) should equal Call #1, Page 5, Line (9), Col. (1). |
| 3 | Call #2, Line (5F) should equal Call #1, Page 5, Line (9), Col. (2). |
| 4 | Call #2, Line (5G) should equal Call #1, Page 5, Line (10), Col. (1). |
| 5 | Call #2, Line (5H) should equal Call #1, Page 5, Line (10), Col. (2). |

B. CALENDAR YEAR EXPENSE CALL #2**i. BASIC EDITS - EXCLUSIVE TO CALL #2**

| Edit # | Edit Description |
|--------|--|
| 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. |
| 5 | No entry has been made to Call #2. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |
| 6 | Premium Discount Adjustment line (3A) should be greater than or equal to zero. |
| 7 | DE Workplace Safety Program Adjustment line (3F) should be greater than or equal to zero. |
| 8 | Small Deductible Premium Adjustment - Standard basis line (5A) should be greater than or equal to zero. |
| 9 | Small Deductible Premium Adjustment - Net basis line (5B) should be greater than or equal to zero. |
| 10 | Large deductible Premium Adjustment - Standard basis line (5C) should be greater than or equal to zero. |
| 11 | Large Deductible Premium Adjustment - Net basis line (5D) should be greater than or equal to zero. |
| 12 | Deductible losses on small deductible coverages - Paid line (12A) should be greater than or equal to zero. |
| 13 | Deductible losses on large deductible coverages - Paid line (12B) should be greater than or equal to zero. |

ii. BASIC EDITS - COMPARING CALL#2 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS

| Edit # | Edit Description |
|--------|---|
| 1 | All data must be consistent and comparable to Calls #1, #8 and #9. |
| 2 | Call #2, Line (5E) should equal Call #1, Page 5, Line (9), Col. (1). |
| 3 | Call #2, Line (5F) should equal Call #1, Page 5, Line (9), Col. (2). |
| 4 | Call #2, Line (5G) should equal Call #1, Page 5, Line (10), Col. (1). |
| 5 | Call #2, Line (5H) should equal Call #1, Page 5, Line (10), Col. (2). |

C. LARGE CLAIM EXPERIENCE CALL #4**i. BASIC EDITS - EXCLUSIVE TO CALL #4**

| Edit # | Edit Description |
|--------|--|
| 1 | For all lines, the sum of Columns (3) through (6) and / or (7) through (10) must equal or be greater than 250,000. |
| 2 | For all lines, data reported should be greater than or equal to zero for Columns (3) through (10). |
| 3 | For all lines a "1", "2", or "3" must be reported in column (12). |
| 4 | For all lines, when a "3" is shown in Column (12), the Large Deductible amount in Column (11) must be equal to or greater than 100,000. |
| 5 | For all lines the Indemnity Paid loss in Column (7) should be equal to or greater than the Indemnity Paid loss reported in Column (3). |
| 6 | For all lines the Medical Paid loss in Column (9) should be equal to or greater than the Medical Paid loss reported in Column (5). |
| 7 | If value in Column (11) is greater than or equal to 100,000 then value in column (12) should be 3. |
| 8 | For all lines, when the policy year in column (1) does not equal the current call year, the sum of columns (3) through (6) should be greater than zero. |
| 9 | No entry has been made to Call #4. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |

ii. BASIC EDITS - COMPARING THE CURRENT YEAR'S CALL#4 TO THE PRIOR YEAR'S CALL#4

| | |
|---|--|
| 1 | For all lines, if the sum of Columns (3) through (6) on the present year Call is equal to or greater than 250,000, the same amounts should appear in Columns (7) through (10) of the prior year Call and show the same Claim Number in Column (2). |
| 2 | For all lines, if the sum of Columns (7) through (10) on the prior year Call is equal to or greater than 250,000, the same amounts should appear in Columns (3) through (6) of the present year Call and show the same Claim Number in Column (2). |

| | |
|---|--|
| 3 | For all lines in which the claim number is the same in Column (2) of the present and prior year Calls, the Policy year in Column (1) should also be the same on both. |
| 4 | For all lines in which the claim number is the same in Column (2) of the present and prior year Calls, the Deductible Amount in Column (11) should also be the same on both. |
| 5 | For all lines in which the claim number is the same in Column (2) of the present and prior year Calls, the Coverage Code in Column (12) should also be the same on both. |
| 6 | Each line should contain a unique claim number within the current Call and/or within the prior year's Call. |

iii. BASIC EDITS - COMPARING CALL#4 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS

| Edit # | Edit Description |
|--------|---|
| 1 | For each policy year appearing in the Carrier Summary Report for Coverage Code "1", the amount in Column (7) must be equal to or less than that reported in policy year Call #1 Column (9) for that same policy year. |
| 2 | For each policy year appearing in the Carrier Summary Report for Coverage Code "1", the amount in Column (8) must be equal to or less than that reported in policy year Call #1 Column (11) for that same policy year. |
| 3 | For each policy year appearing in the Carrier Summary Report for Coverage Code "1", the amount in Column (9) must be equal to or less than that reported in policy year Call #1 Column (10) for that same policy year. |
| 4 | For each policy year appearing in the Carrier Summary Report for Coverage Code "1", the amount in Column (10) must be equal to or less than that reported in policy year Call #1 Column (12) for that same policy year. |
| 5 | For each policy year appearing in the Carrier Summary Report for Coverage Code "3", the amount in Column (7) must be equal to or less than that reported in policy year Call #9 Column (9) for that same policy year. |
| 6 | For each policy year appearing in the Carrier Summary Report for Coverage Code "3", the amount in Column (8) must be equal to or less than that reported in policy year Call #9 Column (11) for that same policy year. |
| 7 | For each policy year appearing in the Carrier Summary Report for Coverage Code "3", the amount in Column (9) must be equal to or less than that reported in policy year Call #9 Column (10) for that same policy year. |
| 8 | For each policy year appearing in the Carrier Summary Report for Coverage Code "3", the amount in Column (10) must be equal to or less than that reported in policy year Call #9 Column (12) for that same policy year. |

D. NET #8 AND GROSS #9 LARGE DEDUCTIBLE POLICY YEAR CALLS

i. BASIC EDITS - EXCLUSIVE TO CALLS #8 AND #9

| Edit # | Edit Description |
|--------|--|
| 1 | For Columns (1) through (26), the sum of PY 1990 through PY 2011 must be equal to Line (X) for all Columns. |
| 2 | The sum of Columns (4) through (6) must be equal to Column (7) for all lines. |
| 3 | The sum of Columns (9) and (10) must be equal to Column (4) for all lines. |
| 4 | The sum of Columns (11) and (12) must be equal to Column (5) for all lines. |
| 5 | The sum of Columns (13) and (14) must be equal to Column (6) for all lines. |
| 6 | There must be responses to the three questions on Page 3 of the Call. |
| 7 | If the response to Question #1 on page 3 is "No" then: a.) The sum of Columns (15) and (16) must be equal to Column (11) for all lines. b.) The sum of Columns (17) and (18) must be equal to Column (12) for all lines. |
| 8 | If the response to Question #1 on Page 3 is "Yes" then leave Columns (15) through (18) blank. If the response is "No" then there must be a value in Column (16) or (18). |
| 9 | The sum of Columns (19) and (20) must be equal to Column (8) for Lines PY 1993 through PY 2011. |
| 10 | For Columns (1) through (26), Line (Z) must be equal to line (X) minus Line (Y). |
| 11 | The sum of Columns (23) through (25) must be equal to Column (26). |
| 12 | For Columns (1) through (26), PY 1990 through PY 2011 and line (X), all data items should be non-negative (greater than or equal to zero). Except Columns (6), (13), (14), (16), (18) and (25). |
| 13 | For PY 1990 through PY 2011, if there is a value in Column (7) then there must also be a value in Columns (1), (2) and (3). |
| 14 | For PY 1990 through PY 2011, if Columns (9) and (11) are greater than 0 then Column (8) must be greater than 0. |
| 15 | For PY 1990 through PY 2011, if Columns (9) and (11) are equal to 0 then Column (8) should be equal to 0. |
| 16 | For PY 1993 through PY 2011, if Column (19) is greater than zero, then Column (9) must be greater than zero. |
| 17 | For PY 1993 through PY 2011, if Column (9) equals zero, then Column (19) must be equal to zero. |
| 18 | For PY 1993 through PY 2011, if Column (20) is greater than zero, then Column (11) must be greater than zero. |
| 19 | For PY 1993 through PY 2011, if Column (20) is equal to zero, then Column (11) should be equal to zero unless only bulk reserves are being reported. |
| 20 | For PY 1990 through PY 2011, Column (21) must be less than or equal to Column (9). |
| 21 | For PY 1990 through PY 2011, Column (22) must be less than or equal to Column (10). |
| 22 | No entry has been made to Calls #8 and/or #9. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |

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

| Edit # | Edit Description |
|--------|--|
| 1 | For Columns (1) through (26), Line (Y) from the current Call must equal Line (X) from the preceding Policy Year Call. |
| 2 | If the answer selected for Question #2 on the current year's call does not equal the answer selected for the prior year's call, then the answer to the question #3 "should be "yes". |

iii. BASIC EDITS - COMPARING CALLS #8 AND #9 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS

| | |
|---|---|
| 1 | Call 9 Line (Z) Column (1) minus Call 8 Line (Z) Column (1) is not equal to Call 2 Line (5C). |
| 2 | Call 9 Line (Z) Column (3) minus Call 8 Line (Z) Column (3) is not equal to Call 2 Line (5D). |
| 3 | Call 9 Line (Z) Column (4) minus Call 8 Line (Z) Column (4) is not equal to Call 2 Line (12B-PAID). |
| 4 | Call 9 Line (Z) Column (7) minus Call 8 Line (Z) Column (7) is not equal to Call 2 Line (12B-INCURRED). |

E. ASSIGNED RISK POLICY YEAR CALL #12

i. BASIC EDITS - EXCLUSIVE TO CALLS #12

| Edit # | Edit Description |
|--------|---|
| 1 | For Columns (1) through (26), the sum of PY-Prior to 1994 through PY 2011 must be equal to Line (X) for all columns. |
| 2 | The sum of Columns (4), (5) and (6) must be equal to Column (7) for all lines. |
| 3 | The sum of Columns (9) and (10) must be equal to Column (4) for all lines. |
| 4 | The sum of Columns (11) and (12) must be equal to Column (5) for all lines. |
| 5 | The sum of Columns (13) and (14) must be equal to Column (6) for all lines. |
| 6 | There must be responses to the three questions on Page 3 of the Call. |
| 7 | If the response to Question #1 on page 3 is "No" then: a.) The sum of Columns (15) and (16) must equal Column (11) for all lines. b.) The sum of Columns (17) and (18) must equal Column (12) for all lines |
| 8 | If the response to Question #1 on Page 3 is "Yes" then leave Columns (15) through (18) blank. If the response is "No" then there must be a value in Column (16) or (18). |
| 9 | The sum of Columns (19) and (20) must be equal to Column (8) for PY-Prior to 1994 through PY 2011. |
| 10 | For Columns (1) through (26), line (Z) must be equal to Line (X) minus Line (Y). |
| 11 | The sum of Columns (23) through (25) must be equal to Column (26) for PY-Prior to 1994 through PY 2011. |
| 12 | For Columns (1) through (26), PY-PR 1994 through PY 2011 and (X), all data items should be non-negative (greater than or equal to zero). Except Columns (6), (13), (14), (16), (18) and (25). |
| 13 | For PY-Prior to 1994 through PY 2011, if there is a value in column (7), then there also must be a value in Columns (1), (2) and (3). |
| 14 | For PY-Prior to 1994 through PY 2011, if Columns (9) and (11) are greater than 0 then Column (8) must be greater than zero. |
| 15 | For PY-Prior to 1994 through PY 2011, if Columns (9) and (11) are equal to 0 then Column (8) should be equal to 0. |
| 16 | For PY-Prior to 1994 through PY 2011, if Column (19) is greater than zero, then Column (9) must be greater than zero. |
| 17 | For PY-Prior to 1994 through PY 2011, if Column (9) equals zero, then Column (19) must equal zero. |
| 18 | For PY-Prior to 1994 through PY 2011, if Column (20) is greater than zero, then Column (11) should be greater than zero. |
| 19 | For PY-Prior to 1994 through PY 2011, if Column (20) is equal to zero, then Column (11) should equal zero unless only bulk reserves are being reported. |
| 20 | For PY-Prior to 1994 through PY 2011, Column (21) must be less than or equal to Column (9). |
| 21 | For PY-Prior to 1994 through PY 2011, Column (22) must be less than or equal to Column (10). |
| 22 | No entry has been made to Call #12. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |

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

| Edit # | Edit Description |
|--------|--|
| 1 | For Columns (1) through (26), Line (Y) from the current Call must equal Line (X) from the preceding Policy Year Call. |
| 2 | If the answer selected for Question #2 on the current year's call does not equal the answer selected for the prior year's call, then the answer to the question #3 "should be "yes". |

F. CATASTROPHE CODE 48 AND CATASTROPHE CODE 87 – CALL #15

i. BASIC EDITS - EXCLUSIVE TO CALLS #15

| Edit # | Edit Description |
|--------|--|
| 1 | For Pages 1 through 4, PY 2000 through PY 2011, the sum of Columns (1) & (2) must equal Column (3). |
| 2 | For Pages 1 through 4, PY 2000 through PY 2011, if there are indemnity closed claims with payment reported in Column (1), then there must be indemnity paid losses reported in Column (4). |
| 3 | For Pages 1 through 4, PY 2000 through PY 2011, if there are open indemnity claims reported in Column (2), then the sum of the outstanding losses reported in Columns (6) & (7) must be greater than zero. |
| 4 | For Pages 1 through 4, PY 2000 through PY 2011, if there are indemnity paid losses reported in Column (4) then there must be incurred claims reported in Column (3). |
| 5 | For Pages 1 through 4, PY 2000 through PY 2011, if there are indemnity outstanding losses reported in Column (6) then there must be open indemnity claims reported in Column (2). |
| 6 | For PY 2000 through PY 2011, all entries must be greater than or equal to zero. |
| 7 | Question #1 on Page 1 must be answered. |
| 8 | No entry has been made to Call #15. If there is no data to report for this Call please indicate "None to Report" on the Acknowledgement Form and resubmit. DO NOT SUBMIT THIS CALL WITH NO ENTRIES. |

II. ACTUARIAL EDITS

All items on Calls #1, #2, #4, #8, #9, #12 and #15 will be checked for reasonableness. Specific examples include:

A. POLICY YEAR CALL#1

i. ACTUARIAL EDITS - EXCLUSIVE TO CALL#1

| Edit # | Edit Description |
|--------|--|
| 1 | 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. |
| 2 | For Columns (1), (2), (3) and (7) PY 2011 should not equal line (Z) unless both values are equal to zero. |
| 3 | Line (Z) for Columns (1), (3) and (7) must be copied to the reconciliation page of the Call. |
| 4 | If there is Net Earned Premium reported on Page 5, Line 12, Col.(2) then the amount reported on Page 5, Line 9, Col.(2) should not equal zero. |
| 5 | If there is Net Earned Premium reported on Page 5, Line 12, Col.(2) then the amount reported on Page 5, Line 9, Col.(1) should not equal zero. |
| 6 | The ratio of [Page 5, Line 9, Col.(2)]/[Page 5, line 12, Col.(2)] does not fall within the interval [0.00-0.05]. |
| 7 | The ratio of [Page 5, Line 10, Col.(2)]/[Page 5, line 12, Col.(2)] does not fall within the interval [0.00-0.05]. |
| 8 | When reporting Terrorism premium greater than zero, generally, Terrorism Standard Earned Premium, Page 5, Line (9) Col. (1), should not equal Terrorism Net Earned Premium, Page 5, Line (9), Col. (2) . |
| 9 | When reporting Catastrophes Other Than Certified Acts of Terrorism premium greater than zero, generally, Catastrophes Other Than Certified Acts of Terrorism Standard Earned Premium, Page 5, Line (10) Col. (1), should not equal Catastrophes Other Than Certified Acts of Terrorism Net Earned Premium, Page 5, Line (10), Col. (2) . |
| 10 | If there is Net Earned Premium reported on Page 5, Line 12, Col.(2) then the amount reported on Page 5, Line 10, Col.(2) should not equal zero. |
| 11 | If there is Net Earned Premium reported on Page 5, Line 12, Col.(2) then the amount reported on Page 5, Line 10, Col.(1) should not equal zero. |

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

| Edit # | Edit Description |
|--------|---|
| 1 | For all paid losses, columns (4), (9), (10), (21) and (22), PY Prior to 1986 through PY 2010 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. |

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

| Edit # | Edit Description |
|--------|--|
| 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. |

B. CALENDAR YEAR EXPENSE DATA CALL #2

| Edit # | Edit Description |
|--------|---|
| 1 | Generally, Terrorism Standard Earned Premium, line (5E), should not equal Terrorism Net Earned Premium, line (5F). |
| 2 | Generally, Catastrophes Other Than Certified Acts of Terrorism Standard Earned Premium, line (5G), should not equal Catastrophes Other Than Certified Acts of Terrorism Net Earned Premium, line (5H). |
| 3 | The ratio of Premium Discount Adjustment (3A) / (NEP (2) + Premium Discount Adjustment (3A)) should be less than or equal to .125 and greater than or equal to zero. |
| 4 | The ratio of DE Workplace Safety Program Adjustment (3F) / (SEP (4) - DE Workplace Safety Program Adjustment(3F) - Merit Rating Adjustment (3E) - Schedule Rating Adjustment (3D)) should be less than or equal to 0.25 and greater than or equal to -0.25. |
| 5 | The ratio of Schedule Rating Adjustment (3D) / (SEP (4) - LCM Adjustment (3C) - Merit Rating Adjustment (3E)) should be less than or equal to 0.25 and greater than or equal to -0.25. |
| 6 | The ratio of Merit Rating Adjustment (3E) / (SEP (4) - LCM Adjustment (3C)) should be less than or equal to 0.05 and greater than or equal to -0.05. |

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

| Edit # | Edit Description |
|--------|--|
| 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 | Line 12C, Column 2(Paid) should equal Call #9, Line (Z), Column (23), minus Call #8, Line (Z), Column (23). |
| 7 | Line 12C, Column 3(Incurred) should equal Call #9, Line (Z), Column (26), minus Call #8, Line (Z), Column (26). |
| 8 | All expense items should match corresponding expense items in Statutory Page 14. |
| 9 | Line (1) should equal Column (1) of Statutory Page 14. |
| 10 | Line (2) should equal Column (2) of Statutory Page 14. |
| 11 | Line (7) Paid should equal Column (5) of Statutory Page 14. |
| 12 | Line (7) Incurred should equal Column (6) of Statutory Page 14. |
| 13 | Line (9) Paid should equal Column (8) of Statutory Page 14. |
| 14 | Line (9) Incurred should equal Column (9) of Statutory Page 14. |
| 15 | Line (6a) Incurred should equal Column (11) of Statutory Page 14. |
| 16 | Line (11) Incurred should equal Column (12) of Statutory Page 14. |

C. NET LARGE DEDUCTIBLE POLICY YEAR CALL #8**i. ACTUARIAL EDITS - EXCLUSIVE TO CALL#8**

| Edit # | Edit Description |
|--------|---|
| 1 | 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. |
| 2 | For columns (1), (2), (3) and (7) PY 2011 should not be equal to line (Z). |

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

| Edit # | Edit Description |
|--------|---|
| 1 | For all paid losses, Columns (4),(9), (10), (21) and (22), PY 1990 through PY 2010 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. |

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

| Edit # | Edit Description |
|--------|---|
| 1 | 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. |

D. GROSS LARGE DEDUCTIBLE POLICY YEAR CALL#9**i. ACTUARIAL EDITS - EXCLUSIVE TO CALL#9**

| Edit # | Edit Description |
|--------|---|
| 1 | 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. |
| 2 | For Columns (1), (2), (3) and (7) PY 2011 should not equal Line (Z) unless both values are equal zero. |

ii. ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#9 TO THE PRIOR YEAR'S CALL#9

| Edit # | Edit Description |
|--------|---|
| 1 | For all paid losses, Columns (4),(9), (10), (21) and (22), PY 1990 through PY 2010 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. |

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

| Edit # | Edit Description |
|--------|---|
| 1 | 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. |

E. ASSIGNED RISK POLICY YEAR CALL #12**i. ACTUARIAL EDITS - EXCLUSIVE TO CALL#12**

| Edit # | Edit Description |
|--------|---|
| 1 | Standard Earned Premium at DCRB DSR Level should equal Standard Earned Premium at Company Level. |
| 2 | For PY-Prior to 1994 through PY 2011, Column (1) must equal column (2). |
| 3 | For Columns (1), (2), (3) and (7) PY 2011 should not equal Line (Z) unless both values are equal to zero. |

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

| Edit # | Edit Description |
|--------|---|
| 1 | For all paid losses, Columns (4),(9), (10), (21) and (22), PY 1994 through PY 2010 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. |

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

| Edit # | Edit Description |
|--------|--|
| 1 | Policy Year entries in PY 1994 through PY 2011 should be less than or equal to the corresponding entries on Call #1. |

F. CATASTROPHE – CALL #15**i. ACTUARIAL EDITS - EXCLUSIVE TO CALLS #15**

| Edit # | Edit Description |
|--------|--|
| 1 | For Columns (1) through (7), Page 4 PY 2000 through PY 2011 must be less than or equal to Page 1 PY 2000 through PY 2011 respectively. |
| 2 | For Columns (1) through (7), Page 2 PY 2000 through PY 2011 must be less than or equal to Page 3 PY 2000 through PY 2011 respectively. |
| 3 | If Questions #1 is answered "Yes" then there should be claims reported on Call #15. |

ii. ACTUARIAL EDITS - COMPARING THE CURRENT YEAR'S CALL#15 TO THE PRIOR YEAR'S CALL#15

| Edit # | Edit Description |
|--------|--|
| 1 | For Pages 1 through 4, Column (1), PY 2000 through PY 2010 on the current years call should not decrease compared to PY 2000 through PY 2010, respectively, on the prior years Call. |
| 2 | For Pages 1 through 4 column (3), PY 2000 through PY 2010 on the current years call should not decrease compared to PY 2000 through PY 2010, respectively, on the prior years Call. |
| 3 | For Pages 1 through 4 Column (4), PY 2000 through PY 2010 on the current years call should not decrease compared to PY 2000 through PY 2010, respectively, on the prior years Call. |
| 4 | For Pages 1 through 4 column (5), PY 2000 through PY 2010 on the current years call should not decrease compared to PY 2000 through PY 2010, respectively, on the prior years Call. |

iii. ACTUARIAL EDITS - COMPARING CALL#15 TO OTHER FINANCIAL DATA INCENTIVE PROGRAM CALLS

| Edit # | Edit Description |
|--------|---|
| 1 | The entries on Call #15 should be less than or equal to their respective entries on Calls #1, #8, #9 & #12. |